

BEFORE THE OIL CONSERVATION COMMISSION, SANTA FE, NEW MEXICO

Case No. 2249

In the Matter of the Application of)
Southern Union Production Company)
for an order force pooling interests)
for the formation of a standard drilling)
and proration unit in the Tapacito)
Pictured Cliff Pool consisting of the)
SW $\frac{1}{4}$ Section 2, T. 25 N., R. 3 W.)

Case No. 2249

A P P L I C A T I O N

Comes now Southern Union Production Company, a corporation authorized to transact business in New Mexico, and applies to the Oil Conservation Commission of the State of New Mexico for an order force pooling all of the interests in and under the S $\frac{1}{2}$ SW $\frac{1}{4}$ Section 2, T. 25 N., R. 3 W., N.M.P.M., Rio Arriba County, New Mexico, in the formation of standard drilling and proration unit as provided by the pool rules for the Tapacito Pictured Cliff Pool, under the provisions of Order No. R-1670, and in support thereof states:

1. That applicant is the owner of Federal oil and gas lease NM 014856 covering the N $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 2, T. 25 N., R. 3 W., Rio Arriba County, New Mexico; that said lease will expire on August 31, 1961, unless applicant drills a well thereon prior to said date.
2. Applicant is informed that there are no royalty interests and that all interests in the minerals underlying said S $\frac{1}{2}$ SW $\frac{1}{4}$ are working interests; that a majority of said working interests do not agree to pooling and unitization of their interests in said unit, although applicant has made an effort to obtain such agreement.
3. That said S $\frac{1}{2}$ SW $\frac{1}{4}$, joined with said N $\frac{1}{2}$ SW $\frac{1}{4}$, will make a standard drilling and proration unit of 160 acres as required by the rules for said pool hereinbefore mentioned, with the unit well to be located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 2.
4. That unless said interests are force pooled, applicant will be deprived of its right to drill the lands covered by its lease and of its right to recover its just and equitable share of the oil and gas underlying said lands covered by applicant's lease.

Application & exhibits filed: Oct 5, 1961

5. That the names and addresses of the working interest owners, together with their interests therein, as applicant is informed and believes, are as follows:

9/10/10 to and to be added to card

<u>Name</u>	<u>Address</u>	<u>Amount of Interest</u>
Thomas F. McKenna	Santa Fe, New Mexico	1/6
Joseph A. Sommer	Santa Fe, New Mexico	1/6
Luis Martinez	170 West Rushton, Ogden, Utah	1/40 ✓
Porfiria Martinez	2935 Grant Avenue, Ogden, Utah	1/40
Josie M. Gallegos	2315 E. 23rd St. Oakland, Calif.	1/40
Maximo Valdez	Dulce, New Mexico	1/160
✓ Amadito Valdez	722 W. Sheridan Road, Chicago, Ill.	3/1280
Maximo Valdez Jr.	2737 W. 18th St., Chicago, Ill.	3/1280
Mae Valdez	2737 W. 18th St., Chicago, Ill.	3/1280
Madalena Valdez	2737 W. 18th St., Chicago, Ill.	3/1280
Eleberta V. Johnson	2737 W. 18th St., Chicago, Ill.	3/1280
Anita V. Montoya	504 Auburn, Farmington, New Mexico	3/1280
Levi Valdez	504 Auburn, Farmington, New Mexico	3/1280
Lucia V. Jacquez	504 Auburn, Farmington, New Mexico	3/1280
Jose Maria Martinez	Park View, New Mexico	17/30

That all of said owners are over 21 years of age except Madalena Valdez who is approximately 19 years of age.

6. That applicant is informed that the interest owners Thomas F. McKenna and Joseph A. Sommer are not opposed to said force pooling.

7. That applicant is ready and willing to undertake the drilling of a well in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 2 to an approximate depth of 3900 feet completed in the Pictured Cliff Formation and to arrange for or advance the expense in connection with the drilling of said well, and, in the event of production of oil and gas, to properly account for and distribute the proceeds derived from said production.

WHEREFORE, applicant prays that this application be set for hearing

at as early a date as possible, and that after notice and hearing as required by law, the Commission enter its order force pooling the interests in said S₂S₄, and enter an order providing for the distribution of proceeds in the event of production.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY

By Manuel G. Sanchez
Attorney
Santa Fe, New Mexico

EX-266

NM-11-30

APPLICATION FOR APPROVAL OF
ASSIGNMENT OF OIL AND GAS LEASE AND
STATEMENT AS TO HOLDINGS AND CITIZENSHIP

United States Department of the Interior
Bureau of Land Management
United States District Land Office
Santa Fe, New Mexico

TO THE DIRECTOR OF THE BUREAU OF LAND MANAGEMENT:

The Undersigned, Southern Union Gas Company, hereby makes application for approval of the following assignment of United States Oil and Gas Lease, said assignment, in triplicate, accompanying this application:

Assignment of United States Oil and Gas Lease New Mexico Serial No. 014856, executed by H. C. Langston and Lucy E. Langston, his wife, as Assignor, in favor of Southern Union Gas Company, as Assignee, under date of January 31, 1956,

and in support of this application states that:

1.

Applicant's address is Burt Building, Dallas, Texas.

2.

Applicant agrees to comply with the terms and provisions of said lease in creating any additional overriding royalties and/or payments out of production under said lease.

3.

Applicant is a corporation duly organized, created and existing under the laws of the State of Delaware. Applicant has heretofore filed with the Bureau of Land Management, under Serial No. Las Cruces 028446(a), evidence of its qualifications to hold and own leasehold, operating, option and other contractual rights covering the public lands of the United States.

Listed below is the percentage, according to the last survey of applicant's stock lists, of each class of stock of applicant which is owned or controlled by or on behalf of persons whom the applicant knows to be or who applicant has reason to believe are aliens or who have addresses outside of the United States:

<u>Class of Stock</u>	<u>Percentage</u>
Common - voting rights	.4224 %
4 1/2% Preferred - no voting rights	1.0695 %
4 3/4% Preferred - no voting rights	3.6969 %

Applicant hereby represents that there has been no significant change in the above percentages since the last survey.

4.

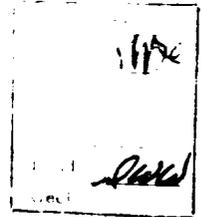
Applicant's other interests, direct and indirect, in oil and gas leases and applications or offers therefor, within the State of New Mexico, including the above described lease, do not exceed 46,080 chargeable acres.

DATED: February 6, 1956

SOUTHERN UNION GAS COMPANY

By J. C. Reed
Vice President

A P P L I C A N T



ASSIGNMENT OF OIL AND GAS LEASE

RECEIVED
BUREAU OF LAND MANAGEMENT

THIS ASSIGNMENT, made and entered into this the 31st day of February, 1956,
by and between H. C. Langston and Lucy E. Langston, his wife

of 2702 Castaneda Road, NW, SANTA FE, NEW MEXICO
Albuquerque, New Mexico

hereinafter referred to as "Assignor" (whether one or more), and
Southern Union Gas Company

of _____,
hereinafter referred to as "Assignee" (whether one or more).

WITNESSETH:

That the undersigned Assignor, for and in consideration of the sum of \$10.00 and other good and valuable considerations to Assignor in hand paid by said Assignee, the receipt whereof is hereby confessed and acknowledged, does hereby sell, assign, transfer, set over and convey unto said Assignee, his heirs, personal representatives (or its successors) and assigns that certain Oil and Gas Lease made and entered into on the 1st day of September, 1954, by and between the United States, as Lessor, and H. C. Langston

as Lessee, bearing New Mexico Serial No. 014856, insofar and only insofar as said Oil and Gas Lease covers and effects the following described land situated in Rio Arriba County, New Mexico, to-wit:

Township 25 North, Range 3 West, N.M.P.M.

Section 2: N $\frac{1}{2}$ SW $\frac{1}{4}$
Section 12: NW $\frac{1}{4}$

containing 240 acres, more or less

together with all rights and privileges thereunder or appurtenant thereto, subject, however, to the following:

The assignor hereby excepts and reserves an overriding royalty equal to Three Percent (3%)

of the market value at the wells as produced of all the oil and gas which may be produced, saved and marketed from the above described lands under the terms of said oil and gas lease or any extensions or renewals thereof. Said overriding royalty shall be computed and paid at the same time and in the same manner as royalties payable to the United States under the terms of said lease are computed and paid, and the assignor shall be responsible for assignor's proportionate part of all taxes and assessments levied upon or against or measured by the production of oil and gas therefrom. Said overriding royalty shall be the total overriding royalty for which the assignee shall be obligated and shall include all overriding royalties, if any, heretofore created and payable out of production of oil and gas from said land. The assignor's interest in said overriding royalty shall be subject to any cooperative or unit plan of operation or development approved by the Secretary of the Interior, or any communitization or other agreement for the purpose of forming a well spacing or a proration unit under the rules or regulations of the New Mexico Oil Conservation Commission to which said lease may have heretofore or may hereafter be committed by the assignee, his successors or assigns, and in such event, said overriding royalty shall be computed and paid on the basis of the oil and gas allocated to the above described lands under and pursuant to the terms of any such agreement or plan of operation. Except as specifically herein provided, the reservation of said overriding royalty shall not imply any leasehold preservation, drilling or development obligation on the part of the assignee; however, nothing herein contained shall relieve the assignee from compliance with any of the terms and conditions of said oil and gas lease. No change in the ownership of said overriding royalty, or any interest therein, shall be binding upon the assignee until such time as assignee shall have been furnished with either the original, a certified copy or an acceptable photostatic copy of the recorded instrument or instruments affecting such change in ownership.

ASSIGNMENT AFFIDAVIT
[Handwritten Signature]

If the Assignee should at any time desire to release or surrender said Oil and Gas Lease as to all or any portion of the above described lands, Assignee shall tender a reassignment of said Lease as to the lands sought to be surrendered or relinquished to the Assignor at least thirty (30) days prior to the time for the payment of the next annual rental under the terms of said Lease or any extension or renewal thereof or at least thirty (30) days prior to the expiration of said Lease in the event the same may be extended or renewed. In such event, the Assignor shall accept such reassignment within ten (10) days from the time the same is tendered, failing in which, the Assignee shall be free to surrender or relinquish said Lease as to such lands. In the event the reassignment is accepted by the Assignor as herein provided, the Assignor shall save, hold and protect the Assignee harmless from all rentals and liability of whatsoever character subsequently accruing under said Lease on account of the lands covered by said reassignment.

TO HAVE AND TO HOLD said Oil and Gas Lease covering the above described lands unto said Assignee, his heirs, personal representatives (or its successors) and assigns forever. For the same consideration, the Assignor covenants with and warrants to said Assignee that said Oil and Gas Lease is in good standing and is free and clear of all liens and encumbrances and obligations of whatsoever character except those hereinabove referred to and that Assignor will warrant and forever defend the title thereto unto said Assignee, his heirs, personal representatives (or its successors) and assigns, against all persons whomsoever lawfully having or claiming an interest therein.

IN WITNESS WHEREOF, this Assignment is executed as of the day and year first hereinabove written.

H. C. Langston

H. C. Langston

Lucy E. Langston

Lucy E. Langston

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO } SS.

On this the 31st day of January, 1956, before me personally appeared H. C. Langston and Lucy E. Langston, his wife

to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission Expires:

My Commission Expires July 15, 1969

Earl E. Nichols

Notary Public.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Form approved,
Budget Bureau No. 42-R999.1

Office New Mexico

Serial No. 014856

Receipt No. _____

**OFFER TO LEASE AND LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive 5-Year Public Domain Lease)**

THIS OFFER WILL BE REJECTED AND RETURNED TO THE OFFEROR AND WILL AFFORD THE OFFEROR NO PRIORITY IF IT IS NOT PROPERLY FILLED IN AND EXECUTED OR IF IT IS NOT ACCOMPANIED BY THE REQUIRED DOCUMENTS OR PAYMENTS. SEE ITEM 9 OF GENERAL INSTRUCTIONS

(Fill in on a typewriter or print plainly in ink and sign in ink)

Mr.
Mrs.
1. Miss Mr. H. C. Langston
(Name)
2702 Castaneda Rd., NW
(Number and Street)
Albuquerque, N. M.
(City and State)

PLEASE NOTIFY THE
SIGNING OFFICER OF
ANY CHANGE OF ADDRESS.

hereby offers to lease all or any of the lands described in item 2 that are available for lease, pursuant and subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437, 30 U. S. C. sec. 181), as amended, hereinafter referred to as the act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

2. Land requested	3. Land included in lease (Not to be filled in by Offeror)
<p><u>New Mexico</u> <u>Bia Aniba</u> (State) (County)</p> <p>T. <u>25 N.</u> R. <u>2 W.</u> <u>NMP</u> Meridian</p> <p>Sec. 2: <u>N 1/2</u> " 12: <u>N 1/2</u></p> <p>Total Area <u>240</u> Acres</p>	<p>(State) (County)</p> <p>T. _____ R. _____ Meridian</p> <p>This lease embraces the area and the land described in Item 2.</p>  <p>The rental retained is the rental amount shown in Item 4.</p> <p>Total Area _____ Acres Rental retained \$ _____</p>

4. Amount remitted: Filing fee \$10, Rental \$ 120.00, Total \$ 130.00

5. Undersigned certifies as follows:
(a) Offeror is a citizen of the United States. Native born Yes Naturalized _____ Corporation or other legal entity (specify what kind): _____

Individual

(b) Offeror's interests direct and indirect in oil and gas leases and applications or offers therefor including this offer in the same State do not exceed 15,360 chargeable acres. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 43 CFR 191.6. (d) Offeror is 21 years of age or over (or if a corporation or other legal entity, is duly qualified as shown by statements made or referred to herein). (e) Offeror has described all surveyed lands by legal subdivisions and unsurveyed lands by metes and bounds, and further states that there are no settlers on unsurveyed lands described herein.

6. Offeror's signature to this offer shall also constitute offeror's signature to, and acceptance of, this lease and any amendment thereto that may cover any land described in this offer open to lease application at the time the offer was filed but omitted from this lease for any reason, or signature to, or acceptance of, any separate lease for such land. The offeror further agrees that (a) this offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the land office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed in behalf of the United States, and (b) this offer and lease shall apply only to lands not within a known geologic structure of a producing oil or gas field at the time the offer is filed.

7. It is hereby certified that the statements made herein are true, complete and correct to the best of offeror's knowledge and belief, and are made in good faith.

IN WITNESS WHEREOF, Offeror has duly executed this instrument this 1st day of April 1954

WITNESSES



(Name and address)

P.O. Box 161
Santa Fe, N.M.



(Lessee signature)

(Name)

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(Lessee signature)

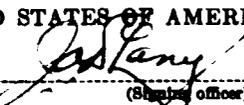
(Attorney-in-fact)

This lease for the lands described in item 3 above is hereby issued, subject to the provisions of the offer and on the reverse side hereof.

Subject to Public Law 555, 83rd Congress

THE UNITED STATES OF AMERICA

SEP 1 1954

By 
(Signing officer)

MANAGER
(Title)

Effective date of lease _____

AUG 13 1954

18 U. S. C. sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Serial Number

BM 01A356

Date of Base Lease

Sept. 1, 1959

ASSIGNMENT AFFECTING RECORD TITLE TO OIL AND GAS LEASE

The undersigned, as owner of record title in the above-designated oil and gas lease, does hereby transfer and assign

to: Southern Union Production Company (Name) Fidelity Union Tower, Dallas, Texas (Address)

the record title interest in and to such lease as specified below:

1. Lands affected by this assignment:

Township 25 North, Range 3 West, N.M.P.M. Rio Arriba County, New Mexico Sec. 8: 1/2 SW/4 Sec. 12: SW/4

containing 240 acres, more or less

This assignment is executed and delivered subject to any outstanding and valid gas purchase contracts, farmout agreements, subleases, pooling or communitization agreements covering all or a part of the above lands. Assignor excepts and expressly retains all its right, title and interest to all gas gathering lines, and appurtenances thereto, which presently lie downstream of the Christmas tree located on each gas producing well presently located on the land and lease herein assigned. Assignor hereby grants, conveys and assigns all other personal property, machinery and well equipment, including the Christmas tree and well equipment located upstream thereof, to the above Assignee.

- 2. Interest of assignor in above-described lands 100%
3. Extent of interest conveyed to assignee 100%
4. Overriding royalty or production payments reserved herein to assignor (State percentage only) (See Item 4 of Instructions) None
5. Overriding royalties or production payments previously reserved (State percentage only) 3%

The undersigned agrees that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

It is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief.

Executed and witnessed this 1 day of January, 1961.

WITNESS:

SOUTHERN UNION GAS COMPANY

BY G.M. Tidwell (Assignor's signature) VICE PRESIDENT

Fidelity Union Tower, Dallas, Texas (Address)

Assistant Secretary Emma Bookout (Witness signature) (Address)

Assignment approved effective:

APR 1 1961 (Date)

THE UNITED STATES OF AMERICA

By Chief Howard M. Grothberg (Signing Officer) Mineral Adjudication Section (Title)

Title 18 USC, sec. 101 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Office New Mexico

Serial No. 014876

Date of lease September 1, 1954

APPLICATION FOR EXTENSION OF OIL AND GAS LEASE
Section 17, Mineral Leasing Act, as amended (60 Stat. 951, 30 U. S. C. sec. 226)

[Use a typewriter or print plainly in ink and sign in ink]

Southern Union Gas Company

(Name)

Bart Building

(Number and street)

Dallas, Texas

(City and State)

- The record title holder of the above-noted lease, or
 - An assignee of such lease whose assignment has been filed for approval, or
 - An operator under such lease whose operating agreement has been filed for approval
- (Check appropriate box)

hereby applies for an extension of the lease pursuant to the regulations 43 CFR 192.120.

2. The lands included in the lease are:

Township 25 North, Range 3 West, N.M.P.M.
El Paso County, New Mexico

Section 2: N¹/₂SW¹/₄
Section 12: NW¹/₄

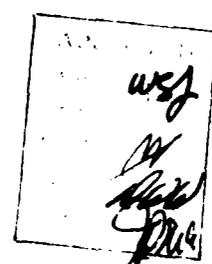
3. Rental for the sixth year of the lease in the amount of \$ 240.00 is remitted herewith.

ATTEND:

SOUTHERN UNION GAS COMPANY

Emma Bookout
(Signature) **Secretary**

[Signature]
(Signature) **Vice President**



LEASE EXTENDED

4. Lands not in known geologic structure of producing oil or gas field.

5. Lands within known geologic structure of producing oil or gas field.

Same as lands in item 2

6. The lease is extended for a period of 5 years, ending _____, as to the land in item No. 4 and for a period of 2 years, ending AUG 31 1961, as to the lands in item No. 5 and so long thereafter as oil or gas is produced in paying quantities.

Subject to Public Law 555, 83rd Congress

THE UNITED STATES OF AMERICA

By Howard M. Grothberg
(Signing officer)

Howard M. Grothberg, Chief
Mineral Adjudication Section
(Title)

OCT 12 1959
(Date)

ILLEGIBLE

*Cards noted
10-19-59 [Signature]*