E OIL CONSERVATION CONSTRUCTION (1)

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

APPLICATION OF MUTZ CANON OIL & GAS)
COMPANY, a Colorado corporation,
FOR A HEARING REGARDING THE FORMA—)
TION OF A NON-STANDARD GAS PRO
RATION UNIT IN THE WEST KUTZ—)
PICTURED CLIFF GAS POOL, SAN JUAN)
COUNTY, NEW MEXICO

Kutz Canon Oil & Gas Company, a Colorado corporation, hereby makes application to the Oil Conservation Commission of the State of New Mexico for a hearing in order to secure the approval of the formation of a non-standard gas pro-ration unit in the West Kutz-Pictured Cliff gas pool, San Juan County, New Mexico. Said application is made in accordance with Rule 6 of Order 566 of the Special Rules and Regulations of the Oil Conservation Commission of the State of New Mexico. The applicant states as follows:

- 1. The proposed non-standard pro-ration unit consists of 167.64 acres due to the unorthodox size of the tract arising out of a variation in the legal subdivision of public land surveys. Said unit is described as the SW2 of Section 30, Township 27 North, Range 10 West, San Juan County, New Mexico.
- 2. The proposed non-standard gas pro-ration unit consists of all of the above described Swi of Section 30, Township 27
 North, Range 10 West, San Juan County, New Mexico.
- 3. The proposed non-standard gas pro-ration unit lies wholly within a single government quarter section as described in paragraphs 1 and 2.
- 4. The proposed non-standard gas pro-ration unit may reasonably be presumed to be productive of gas, and applicant states in this connection that the applicant has drilled upon said tract a well which resulted in the discovery of gas.
- 5. Applicant files herewith as exhibits, plats showing the acreage to be dedicated, well location, and offset ownership.

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- 6. Applicant has notified the operators of the tracts offsetting the proposed non-standard gas pro-ration unit of the intention of the applicant to form a non-standard unit, and of the applicant's intention to apply to the Oil Conservation Commission for a hearing in order to form such non-standard unit.
- 7. Applicant has mailed such notices to the following persons, copies of which notices are attached hereto as exhibits:

New Mexico Western Oil & Gas Co., 1501 Mercantile Bank Bldg., Dallas. Texas

Western Natural Gas Co., National Standard Bldg., Houston 2, Texas

Three States Natural Gas Co., Corrigan Tower Bldg., Dallas 1, Texas

Pacific Northwest Pipe Line Corp. 520 Simms Building, Albuquerque, New Mexico

as operators of the tracts described as the SW_{2}^{\perp} , Section 30 and the NE_{4}^{\perp} , Section 30, Township 28 North, Range 10 West, San Juan County, New Mexico, and

New Mexico Western Oil & Gas Co., 1501 Mercantile Bank Bldg., Dallas. Texas

Pacific Northwest Pipe Line Corp. 520 Simms Building, Albuquerque, New Mexico

as operators of the tracts described as the NE_4^{\downarrow} and NV_4^{\downarrow} , Section 31, Township 28 North, Range 10 West, and

New Mexico Western Oil & Gas Co. 1501 Mercantile Bank Bldg., Dallas, Texas

as operators of the NE2, Section 36, Township 28 North, Range 10 West, and

British American Gil Producing Co., Box 180, Denver, Colorado

Western Development Company Sena Plaza Building, Santa Fe, New Mexico

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as operators of the tracts described as SW_4^1 and NW_4^1 , Section 25. Township 28 North, Range 10 West.

The applicant is the record title holder and operator of the tract described as NE2, Section 30, Township 28 North, Range 10 West.

The well which resulted in the discovery of gas on the proposed non-standard gas pro-ration unit is known as 4-M. It is located 790 feet from the South line and 900 feet from the West line of said unit.

WHEREPORE, applicant requests the Commission to allow the applicant to form a non-standard gas pro-ration unit as to the herein described tract, and requests the Commission to order a hearing to be held in this matter in order that a non-standard gas pro-ration unit may be formed as to such tract as provided by the special rules and regulations of the Commission.

KUTZ CANON OIL & GAS COMPANY

Vice President

STATE OF COLORADO) SS.

J. F. Seaton being first duly sworn on oath, deposes and says that he is Vice President of Kutz Canon 611 & Gas Company. a Colorado corporation; that he has read the above and foregoing application, and that the facts stated therein are true of his own knowledge.

Witness my hand and official seal.

My commission expires July 24, 956

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