

Original
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COMPASS EXPLORATION, INC.

1645 COURT PLACE
DENVER 2, COLORADO

August 23, 1960

Secretary
Federal Power Commission
Washington 25, D. C.

Dear Sir:

Enclosed herewith are an original and seven conformed copies of the Application of Compass Exploration, Inc., for a Certificate of Public Convenience and Necessity pursuant to Section 7 of the Natural Gas Act. This Application relates to deliveries of gas from our Dakota gas well, the #1-35 Aztec, located in Section 35, Township 30 North, Range 14 West, San Juan County, New Mexico.

Also enclosed are three copies of the Gas Purchase Agreement dated August 17, 1960, between Compass Exploration, Inc., as Seller, and El Paso Natural Gas Company, as Buyer, submitted as an initial rate schedule covering the deliveries of gas made the subject of the enclosed Certificate Application; and three copies of Statement of Estimated Deliveries and Billing for First Month of Service.

The attention of the Commission is directed to the fact that the Applicant has invoked the provisions of Section 157.28 of the Commission's Rules and Regulations and proposes to commence the sales of gas covered by such Application upon receipt of notice from the Secretary of the Commission that the enclosed Certificate Application and related initial rate schedule have been accepted for filing.

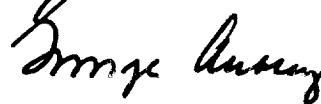


Federal Power Commission
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Copies of the Certificate Application have been forwarded to
El Paso Natural Gas Company and the New Mexico Oil
Conservation Commission.

Respectfully submitted,

COMPASS EXPLORATION, INC.

A handwritten signature in dark ink, appearing to read "George Aubrey", is written over the printed name.

George Aubrey
President

GA/lo
Encl.

cc: El Paso Natural Gas Company
New Mexico Oil Conservation Commission

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

IN THE MATTER OF)
)
Application of)
Compass Exploration, Inc.)
for Certificate of Public)
Convenience and Necessity)

DOCKET NO. G- _____

ORIGINAL APPLICATION

Compass Exploration, Inc., herein referred to as Applicant, pursuant to Section 7 of the Natural Gas Act as amended and Sections 154.91 and 157.23(b) of the Commission's Rules and Regulations, hereby makes application to the Commission for a certificate of public convenience and necessity authorizing sales of natural gas hereinafter described, and in support of such application respectfully states and shows the following:

1.

The exact legal name of Applicant is Compass Exploration, Inc., and it is a corporation organized and existing under the laws of the State of Colorado with its principal office at 1645 Court Place, Denver 2, Colorado. Applicant is authorized to do business in the States of Colorado and New Mexico and is not engaged in the operation of an interstate pipe line.



2.

No predecessor in interest of Applicant has sold or delivered any gas in interstate commerce from the well to which the application relates, and accordingly no information is submitted in response to Item (2) of Section 157.24(a) of the Commission's Rules and Regulations.

3.

Correspondence and communications in regard to this application are to be addressed to:

Mr. George Aubrey, President
Compass Exploration, Inc.
1645 Court Place
Denver 2, Colorado

4.

Applicant is the owner of the oil and gas leasehold rights covering the following land:

Township 30 North, Range 14 West, N. M. P. M.
San Juan County, New Mexico

Section 35: W/2

and has completed thereon a well capable of producing natural gas as follows:

<u>Well Name</u>	<u>Location</u>	<u>Operator</u>
Compass Exploration, Inc. #1-35 Aztec	Section 35 W/2	Compass Exploration, Inc.

Applicant has entered into a natural gas purchase contract dated August 17, 1960, providing for the sale of gas produced from the above

well by Applicant to El Paso Natural Gas Company. Such contract is being submitted to the Commission concurrently herewith as an initial rate schedule of Applicant.

5.

The specific information called for in Item (4) of Section 157.24(a) of the Commission's Rules and Regulations is as follows:

(i) Gas covered by this certificate application will be produced from the aforesaid well, with the point of delivery at the wellhead. The location of such well is shown on the map hereto attached as Exhibit "A". None of such gas will be purchased by Applicant from any other person.

(ii) None of the gas covered by this application will be transported by the Applicant through pipelines prior to its sale and delivery.

(iii) Applicant proposes to serve no community at wholesale or retail with any of the gas covered by this application.

(iv) Applicant does not propose to sell any of such gas to any mainline industrial customers.

(v) No compressor stations, gasoline plants, dehydration plants, purification plants, gas storage projects or other similar natural appurtenant properties or facilities for processing or storing any gas covered by this application are proposed by Applicant.

Following is a contract summary as required by Item (5) of
Section 157.24(a) of the Commission's Rules and Regulations:

1. Name of Seller: Compass Exploration, Inc.
2. Name of Purchaser: El Paso Natural Gas Company.
3. Location of Sale: Section 35, Township 30 North, Range 14 West,
N. M. P. M. , San Juan County, New Mexico.
4. Date of Contract: August 17, 1960.
5. Initial Price per Mcf: 12¢ per Mcf plus 1¢ per Mcf for liquid products.
6. Measurement Pressure Base (psia): 15.025#
7. Types of Escalation Provisions: An increase of 1¢ per Mcf for each
five year period commencing with the five year period beginning
January 1, 1964.
8. Hydrocarbon liquids Included: Yes.
9. Other Price Adjustments: (a) Price per Mcf shall equal the price
being paid by Buyer to others for comparable gas delivered to
Buyer under comparable conditions from wells completed in the
same reservoir.

(b) Reimbursement of 3/4 of any additional tax levied (not in-
cluding income, excess profits, capital stock, franchise or
general property taxes).

(c) Price for gasoline and additional products based on average
sales price, but price for liquid products shall never be less than
1¢ per Mcf gas.

10. Estimated Initial Volumes: 1,150 Mcf per day.
11. Delivery Pressure (psig): 500#.
12. Delivery Point: Wellhead.

6.

The following exhibits are submitted herewith as a part of this application:

Exhibit "A" - map showing location of the well from which gas is to be sold by Applicant.

Exhibit "B" - copy of natural gas purchase contract dated August 17, 1960, between Applicant as Seller and El Paso Natural Gas Company as Buyer, which contract is incorporated herein by reference to copies filed by Applicant as an initial rate schedule.

WHEREFORE, Applicant respectfully requests that the Commission grant to it a certificate of public convenience and necessity authorizing the sales and deliveries of gas hereinbefore described.

Applicant further requests that the intermediate decision procedure be omitted and waives oral hearing and opportunity for filing exceptions to the decision of the Commission and requests that the application be disposed of pursuant to the provisions of Section 1.32(b) of the Commission's Rules and Regulations regarding shortened procedures.

The lease of the Applicant covering the lands on which the above well is located provides for the payment of shut-in royalty during the

periods that gas is not being produced and sold off the premises. Delay in the commencement of production from the above well will cause the Applicant economic hardship resulting from payment of shut-in royalties, thereby creating an emergency situation requiring authorization of the deliveries of gas contemplated by this application without delay. Accordingly, Applicant invokes the provisions of Section 157.28 of the Rules and Regulations of the Commission and proposes, upon notice of the filing of this application and the related initial rate schedule from the Secretary of the Commission, to proceed with the sale of gas as proposed hereby.

Respectfully submitted this 23rd day of August, 1960.

COMPASS EXPLORATION, INC.

ATTEST:

Martha L. Hamilton
Secretary

By

George Aubrey
President

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

GEORGE AUBREY, being first duly sworn, states that he is the President of COMPASS EXPLORATION, INC., Applicant in the foregoing application, and that as such officer he has executed such application on behalf of Compass Exploration, Inc., that he has read such application and that to the best of his knowledge, information and belief all statements of fact therein contained are true and correct.

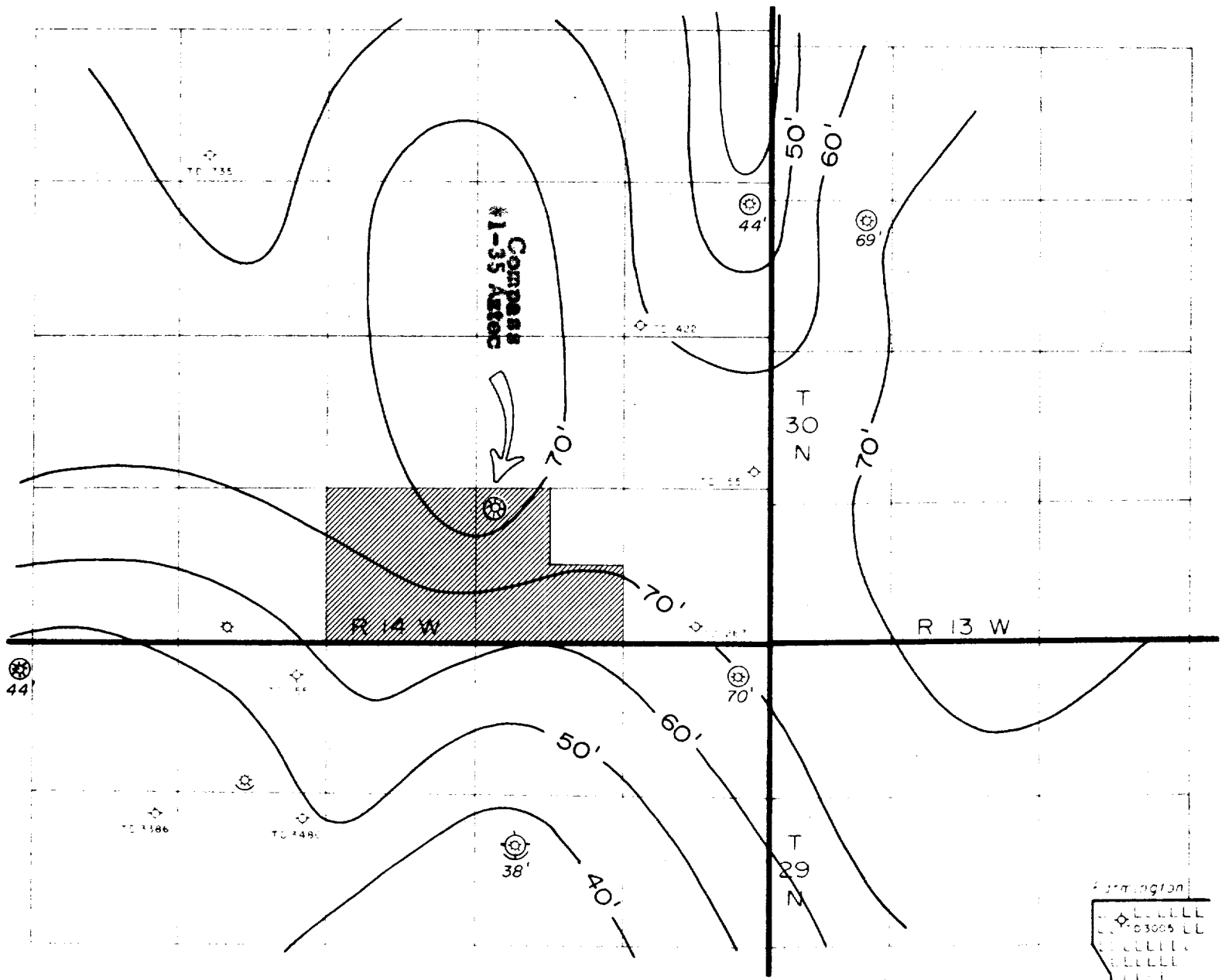
George Aubrey
George Aubrey

Sworn to and subscribed before me this 23rd day of August, 1960

My commission expires
March 28, 1963

Lorraine M. Brown
Notary Public in and for the City and
County of Denver, State of Colorado

San Juan County, New Mexico



Compass Exploration

WEST FARMINGTON PROSPECT

SAN JUAN COUNTY, NEW MEXICO

ISOPACH OF NET EFFECTIVE DAKOTA SAND

C. I. 10^1

-  *Dakota Test*
-  *Mesaverde Test*