

Case No.

40

Application, Transcript,
Small Exhibits, Etc.

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

February 17, 1943

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. John M. Kelly

Gentlemen:

The Applicant, who is a principal owner of oil and gas leases in the Fulcher Basin field in San Juan County, New Mexico, hereby petitions the Commission for authority to establish a uniform spacing plan of one gas well per 160 acres of undivided state or fee land, owned or leased by the Applicant. The location of each well is to be not closer than 330 feet to any lease or 160-acre unit line.

For the purpose of this petition, the Fulcher Basin Field is defined to consist of the following lands:

Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M.
Sections 1, 2, 3, ~~4~~ 10, 11, 12 and 13, Township 29 North,
Range 12 West, N. M. P. M.
Sections 7, 17, 18, 19, 20 and 21, Township 29 North, Range
11 West, N. M. P. M.

A map of the area described is attached.

A spacing plan as outlined above for state and fee land will enable the Applicant to establish a uniform spacing rule for all its land in the field, including federal land under the jurisdiction of the U. S. Geological Survey. This will materially assist the Applicant in getting approval from the Petroleum Administrator For War, and the War Production Board for authority to drill additional wells in this area.

The Applicant supplies all of the markets of the Southern Union Gas Company in the vicinity of Farmington, Albuquerque, Santa Fe, Bernalillo, Los Lunas and Belen. In addition to the human needs of approximately 15,000 domestic consumers, it also supplies large industrial consumers such as the A.T. & S.F. Railway Shops, the Albuquerque Air Base, four power plants, hospitals, laundries and several other industrials, all of which contribute directly or indirectly to the war effort.

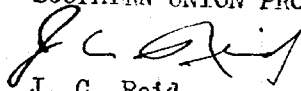
New Mexico Oil Conservation Commission

February 17, 1943

The Commission's approval of this petition at an early date would be appreciated. If further evidence is needed before the hearing, kindly advise.

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY



J. C. Reid
Vice President

JCR:ar

- 1 - cc: Petroleum Administration For War
Mellie Esperson Building
Houston, Texas
- 1 - cc: Mr. Foster Morrell
U. S. Geological Survey
Roswell, New Mexico

PETROLEUM ADMINISTRATION FOR WAR

SUITE 245, MELLIE ESPERSON BUILDING

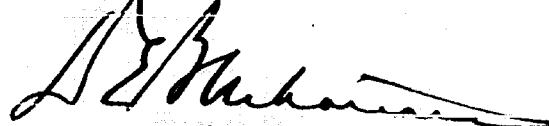
HOUSTON, TEXAS

July 1, 1943.

New Mexico Oil Conservation Commission,
Santa Fe,
New Mexico.

Thank you very much for your letter dated June 28, enclosing
Order No. 541 establishing 160-acre spacing for gas wells in the
Fulcher Basin Field, San Juan County.

Yours very truly,

A handwritten signature in dark ink, appearing to read "D. E. Buchanan", written in a cursive style.

D. E. Buchanan,
Director-in-Charge.

PETROLEUM ADMINISTRATION FOR WAR

SUITE 245, MELLIE ESPERSON BUILDING

HOUSTON, TEXAS

July 6, 1943.

New Mexico Oil Conservation Commission,
Santa Fe,
New Mexico.

Thank you very much for your letter of June 29, enclosing
Order No. 541 establishing 160-acre spacing for gas wells in
the Fulcher Basin Field, San Juan County.

Yours very truly,

A handwritten signature in dark ink, appearing to read "D. E. Buchanan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

D. E. Buchanan,
Director-in-Charge.

(CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

Mr. Van Thompson
Southern Union Production Company
Burt Building
Dallas, Texas

Dear Van:

Pardon the lateness of my reply to your letter of June 30 but I have been back in Washington for the past two weeks.

I have been advised that a copy of our order regarding 160 acre well spacing in the Fulcher Basin was sent to Mr. M. L. Hayfield of the P.A.M., with a copy of the letter of transmittal to you at Dallas. Two copies of the order were delivered to Judge Kiker to be forwarded on to your company several weeks ago; however, I am enclosing a copy for your personal file with this letter.

With kindest personal regards.

Very truly yours,

John M. Kelly
Director

JMK:MS

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P
Y

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

June 30, 1943

Mr. John M. Kelly, Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear John:

We have not heard anything recently on our petition to the
New Mexico Oil Conservation Commission, regarding the 160-acre
well spacing at Fulcher Basin in San Juan County, New Mexico.

Please advise the present status of this petition.

Yours very truly

Van Thompson
Van Thompson

VT:ar

*sent copy of order to M. L. Mayfield C. D. N. 6-29-43
with copy of letter Thompson*

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

June 29, 1943

Mr. M. L. Mayfield
Assistant District Director
Natural Gas & Natural Gasoline Division
Petroleum Administration for War
Mallie Esperson Building
Houston, Texas

Dear Mr. Mayfield:

In accordance with the request of Mr. Van Thompson
of the Southern Union Production Company I am attaching a
copy of the well spacing order for the Patcher Basin.

Very truly yours,

Secretary to
John M. Kelly
Director.

cc Van Thompson

L CONSERVATION COMMISSIO
SANTA FE, NEW MEXICO

June 28, 1943

Mr. E. O. Buck
District Director of Production
Petroleum Administration for War
Suite 245 Nellie Esperson Building
Houston, Texas

Re: Case No. 40, Order No. 541

Dear Mr. Buck:

This is to certify that the above captioned attached order establishing 250 acre spacing for gas wells in the Fulcher Basin Field, San Juan County, is a true copy of such order promulgated by the New Mexico Oil Conservation Commission on June 22, 1943.

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

CHL:MS
cc Clyde Parrish

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

June 23, 1943

Honorable H. A. Kiker,
Attorney-at-law,
Salmon Building,
Santa Fe, New Mexico.

Re: Case 40—Order No. 541
160-acre spacing for gas
wells in Pulcher Basin Field.

My dear Judge Kiker:

Enclosed please find a signed order and a copy thereof in the
above captioned matter.

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

IL CONSERVATION COMMISSIO.
SANTA FE, NEW MEXICO

May 14, 1943

Mr. Van Thompson
Southern Union Production Company
Burt Building
Dallas, Texas

Dear Van:

A copy of the Fulcher Basin well spacing order will be mailed you direct as soon as the order is prepared which will possibly be around the end of this month or the first of next month.

I enjoyed my visit with you and hope to see you again in the near future.

Very truly yours,

John M. Kelly
Director.

JMK:MS

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

May 5, 1943

Mr. John M. Kelly, Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear John:

Will you please mail a copy of the well spacing order for Fulcher Basin to the following, when it has been approved:

Mr. M. L. Mayfield
Assistant District Director
Natural Gas & Natural Gasoline Division
Petroleum Administration For War
Mellie Esperson Building
Houston, Texas

In talking with Mr. Mayfield today, he said that sometimes the mail got misdirected in the office, and that if you would mail it direct to him, he would be sure to get it.

Thank you for all the assistance you gave me during the hearing last week.

Yours very truly



Van Thompson

VT:er

DIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 8, 1943

Mr. J. C. Reid, Vice-President
Southern Union Production Company
Burt Building
Dallas, Texas

Re: Case No. 40 - 100 acre gas well spacing
within Fulcher Basin Field.

Dear Mr. Reid:

The hearing upon your petition in the above captioned matter is set for 10 A.M., April 27, together with other cases, at Santa Fe. For this purpose the Commission sits in its quasi-judicial capacity. You should, therefore, be prepared to present your case with such sworn testimony and documentary evidence in support of your petition as you may deem advisable.

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

CBL:MS

cc H. A. Kiker
Santa Fe

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

February 17, 1943

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. John M. Kelly

Gentlemen:

The Applicant, who is a principal owner of oil and gas leases in the Fulcher Basin field in San Juan County, New Mexico, hereby petitions the Commission for authority to establish a uniform spacing plan of one gas well per 160 acres of undivided state or fee land, owned or leased by the Applicant. The location of each well is to be not closer than 330 feet to any lease or 160-acre unit line.

For the purpose of this petition, the Fulcher Basin Field is defined to consist of the following lands:

Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M.
Sections 1, 2, 3, 10, 11, 12 and 13, Township 29 North,
Range 12 West, N. M. P. M.
Sections 7, 17, 18, 19, 20 and 21, Township 29 North, Range
11 West, N. M. P. M.

A map of the area described is attached.

A spacing plan as outlined above for state and fee land will enable the Applicant to establish a uniform spacing rule for all its land in the field, including federal land under the jurisdiction of the U. S. Geological Survey. This will materially assist the Applicant in getting approval from the Petroleum Administrator For War, and the War Production Board for authority to drill additional wells in this area.

The Applicant supplies all of the markets of the Southern Union Gas Company in the vicinity of Farmington, Albuquerque, Santa Fe, Bernalillo, Los Lunas and Belen. In addition to the human needs of approximately 15,000 domestic consumers, it also supplies large industrial consumers such as the A.T.&S.F. Railway Shops, the Albuquerque Air Base, four power plants, hospitals, laundries and several other industrials, all of which contribute directly or indirectly to the war effort.

-2-

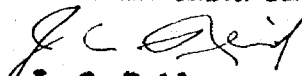
New Mexico Oil Conservation Commission

February 17, 1943

The Commission's approval of this petition at an early date would be appreciated. If further evidence is needed before the hearing, kindly advise.

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY

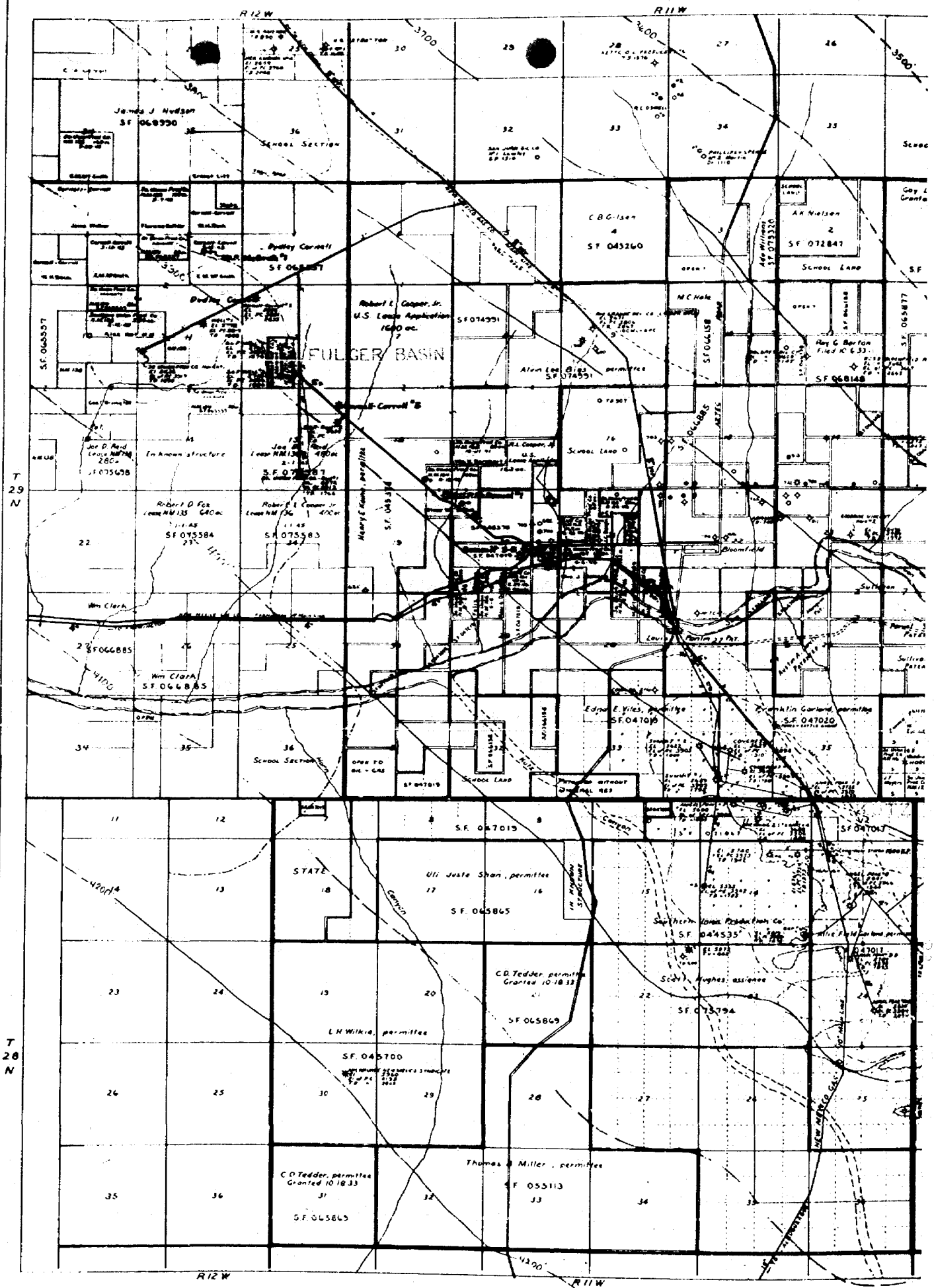


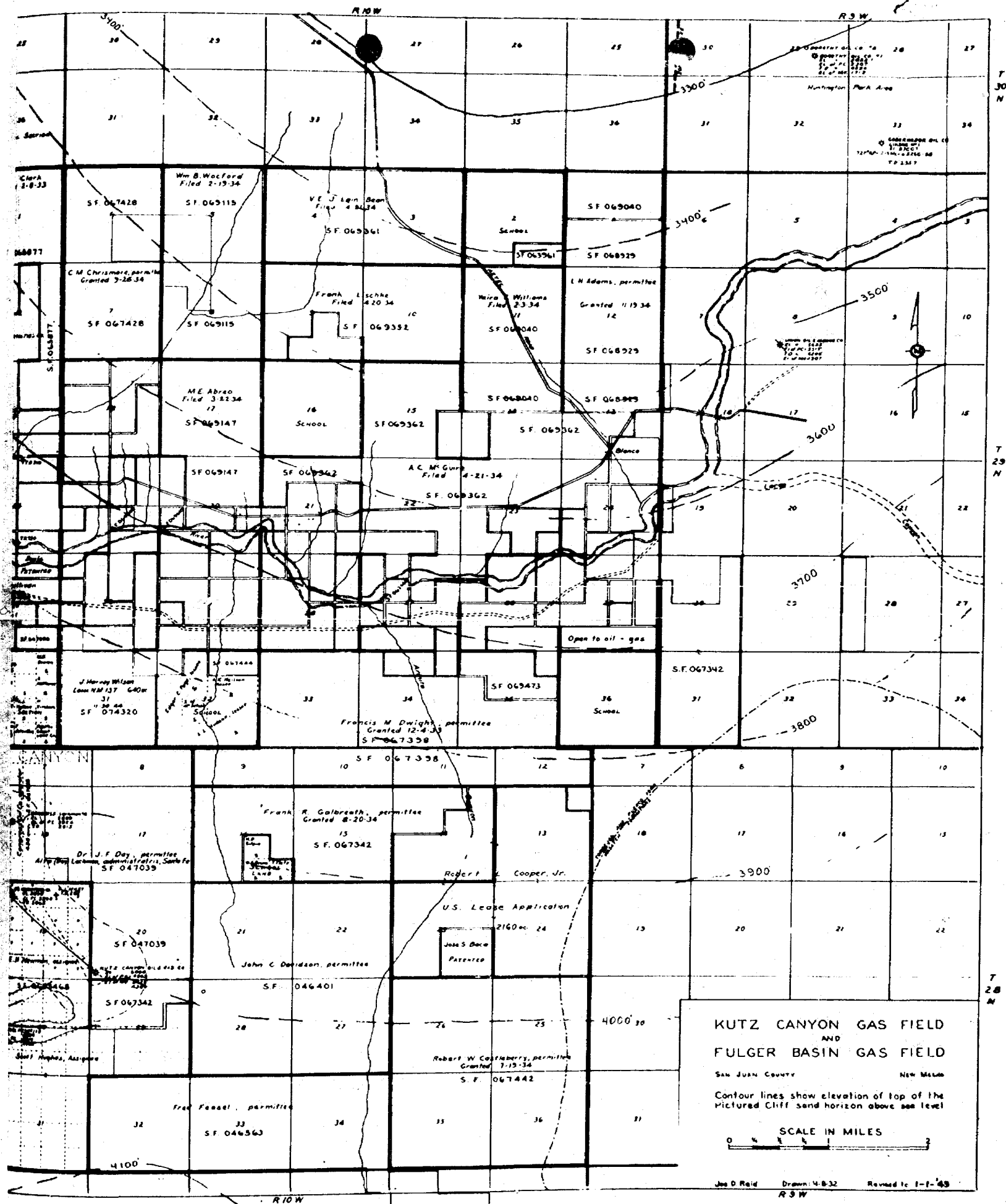
J. O. Reid
Vice President

JCR:mr

1 - cc: Petroleum Administration For War
Mellie Esperson Building
Houston, Texas

1 - cc: Mr. Foster Morrell
U. S. Geological Survey
Roswell, New Mexico





SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

March 9, 1943

The petitioner should offer the original in evidence or receive permission to substitute a photostatic or other copy at the hearing. Thus far, the letter is merely informative to the Commission in an administrative aspect. mission

C B L

In support of our petition of February 17, for authority to locate a gas well in or near the center of a 160-acre undivided tract of land, in the Fulcher Basin field, we are enclosing two photostatic copies of a letter from the Petroleum Administration For War.

We would appreciate it if you would keep us informed of the progress of this petition.

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY

Law Thompson
Van Thompson

VT:ar
Enc. - 2

PETROLEUM ADMINISTRATION FOR WAR

SUITE 243, MELLIE ESPERSON BUILDING

HOUSTON, TEXAS

February 8, 1943.

**Subject: Gas Well Spacing,
Fulcher Basin Field,
San Juan Co., N. M.**

**Southern Union Producing Company,
Burt Building,
Dallas, Texas.**

Att'n: Mr. J. C. Reid, Vice-President.

Gentlemen:

Enclosed is copy of letter to Mr. E. A. Hanson, U. S. Geological Survey, with reference to gas well spacing problems in Fulcher Basin Field, arising out of the applications which you have filed for exception to Conservation Order M-68.

We would direct your attention particularly to that paragraph on petitioning the New Mexico Conservation Commission for 160-acre field-wide development.

It is our understanding that, at least following precedent, the Commission claims no alternative but to consider drilling permits on the basis of 40-acre units unless and until it has received and approved a petition from an operator covering any plan at variance with the 40-acre unit plan.

In the light of your three applications for exception to M-68, and your disclosed purpose to drill additional wells in this Field from time to time, this Office believes it would be in the interest of all concerned if you would file with the Commission a petition requesting 160-acre field-wide spacing, and to provide for locating future wells in the center of such units.

If it is feasible to establish such a program through the media of filing a petition with the State and, later, a Form 214-a with the Petroleum Administration for War, you would be relieved of a great deal of burdensome work and delay in connection with future drilling operations.

Your comments will be appreciated.



Enclosure 984

cc: Mr. E. A. Hanson.

Very truly yours,

A handwritten signature in dark ink, appearing to read "D. E. Buchanan".

**D. E. Buchanan
District Director of**

Natural Gas and Natural Gasoline Division.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
February 26, 1943

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

We have been informed by the Southern Union Production Company that a petition has been filed with the Commission to establish a uniform spacing plan of one gas well per 160 acres on undivided State or fee land owned or leased by the applicant, the location of each well to be not closer than 330 feet to any lease of 160 acre unit line, in the Fulcher Basin field, San Juan County, New Mexico.

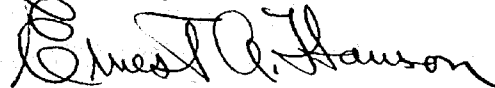
Conservation Order M-68 limits the use of materials for gas wells to one well per 640 acre drilling unit. An approved exception to the order must be obtained before drilling may be permitted on a smaller unit. In April 1942, Carroll and Cornell were granted an exception to drill gas wells on 160 acre drilling units on 2240 acres of Federal lands in Secs. 1, 2, 10, 11, 12, 13, 14 and 15, T. 29 N., R. 12 W. No wells have been drilled under this exception. In granting the Carroll and Cornell exception, the WPB provided that each well must be at least 1980 feet from all other wells, and that each well be at least 990 feet from any lease line, property line, or subdivision line which separates unconsolidated property interest. More recently the Southern Union Production Company filed three applications for exceptions to drill on 160 acre units, two on fee land in the SE $\frac{1}{4}$ Sec. 2 and NE $\frac{1}{4}$ Sec. 3, T. 29 N., R. 12 W., and one on Federal land in the SW $\frac{1}{4}$ Sec. 18, T. 29 N., R. 11 W.

The majority of lands in the productive area of the Fulcher Basin field as developed to date are Federal lands. It is the intention of this office to require lessees and operators of the Federal lands to locate all future wells in the center of 160 acre tracts unless it is necessary to deviate therefrom by reason of unfavorable topography, or to prevent drainage by wells otherwise located on offsetting State and fee lands.



The drilling of wells in the center of 160 acre drilling units as a field-wide development program for development only of gas production is preferred by the Houston office of the Petroleum Administration for War and appears to be the most logical pattern under all known conditions. Approval by the Commission of such well spacing on State and fee lands in the Fulcher Basin field will assist greatly in closer cooperation toward equitable development and should encourage uniform withdrawal and greater ultimate recovery of gas from the field. In the case of diverse ownership of lands within a 160 acre unit based on legal subdivisions, it is hoped that passage of pending State legislation will authorize unitization of separate tracts in order to accomplish the beneficial purposes of such uniform well spacing pattern.

Very truly yours,



ERNEST A. HANSON,
Supervisor, Oil & Gas Operations.

cc-Mr. D. E. Buchanan, PAW,
Houston, Texas.

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

February 17, 1943

Mr. John Kelly
State Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Kelly

I am enclosing two copies of a petition for authority to locate all future wells on state and fee lands in Fulcher Basin in the Center of a 160-acre undivided tract of land, for the approval of the Commission.

Your cooperation in the matter is greatly appreciated. Any additional information needed will be furnished immediately.

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY

Van Thompson

Van Thompson

VT:ar

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

February 24, 1943

Southern Union Production Company
Bart Building
Dallas, Texas

Attention: Van Thompson

Re: Southern Union Production Company's petition
for 160 acre spacing for gas wells in a
certain area in San Juan County.

Dear Mr. Thompson:

Your petition in the above captioned matter,
enclosed in your letter of February 17, will have the
direct attention of Mr. Kelly on his return to Santa Fe
in the next few days.

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

CML:MS

SOUTHERN UNION PRODUCTION COMPANY

Dallas, Texas
1104 Burt Building
February 17, 1943

Mr. E. Holly Poe
Director of Natural Gas & Gasoline Division
Office of Petroleum Coordinator
New Interior Building
Washington, D. C.

Regarding Application for Exception to M-68, Case No. G-526

Dear Mr. Poe:

On January 5, 1943, we filed a request for an exception to M-68, covering the drilling of a gas well in Fulcher Basin, San Juan County, New Mexico.

This application was assigned Case No. G-526, and was approved by the War Production Board on February 8, 1943. The location of the well as approved was to be in the Center of the SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 3, Township 29 North, Range 12 West.

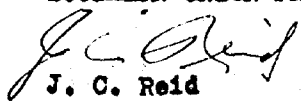
On the recommendation of the U. S. Geological Survey in Roswell, New Mexico, we wish to further amend this application so that the well can be located in the Center of this NE $\frac{1}{4}$ of Section 3, Township 29 North, Range 12 West. This will place the well in the exact Center of the 160-acre tract instead of in the Center of a 40-acre tract within the 160 acres. A map of the new location is attached.

It is believed that this new location will allow for a more uniform spacing plan for future gas wells in this field.

The new location on the drilling unit has already been verbally approved by the U. S. Geological Survey, and the New Mexico State Oil and Gas Commission.

Yours very truly

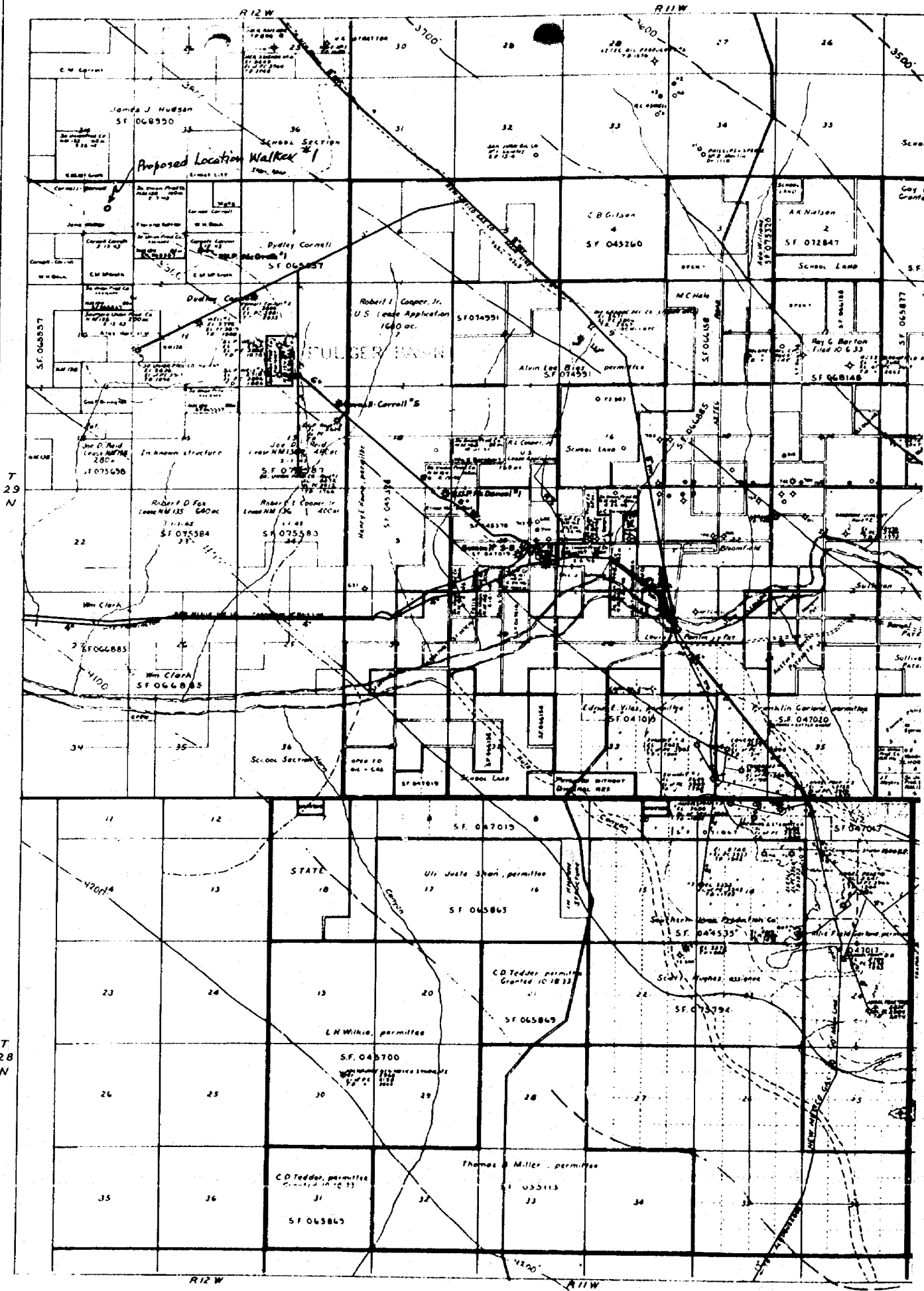
SOUTHERN UNION PRODUCTION COMPANY

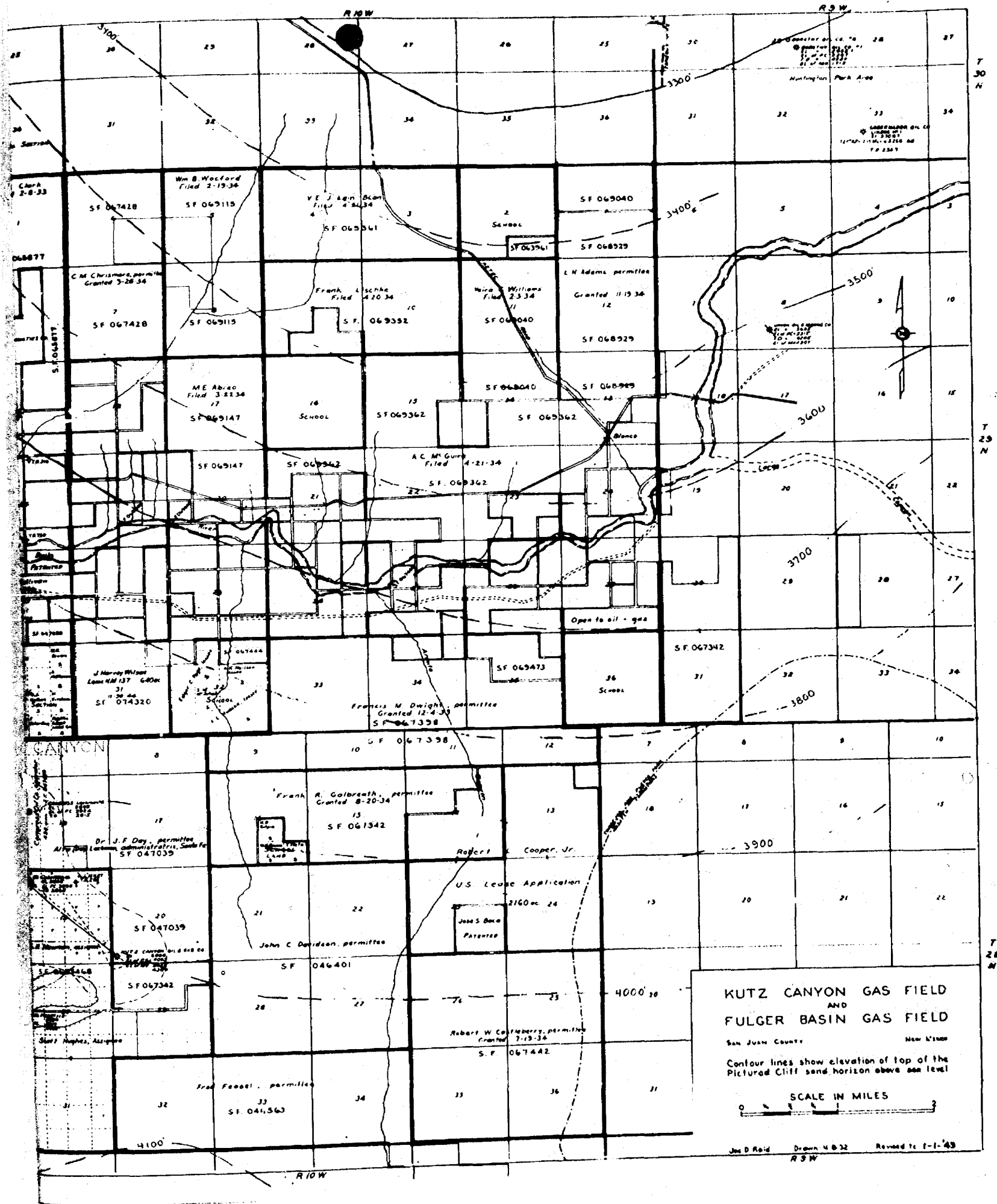

J. C. Reid
Vice President

JCR:ar

cc: Mr. Foster Morrell
U. S. Geological Survey
Roswell, New Mexico
Mr. John M. Kelly ✓
Oil Conservation Commission
Santa Fe, New Mexico

Office of Petroleum Coordinator
Houston, Texas





CASE NO. 40

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE SOUTHERN UNION
PRODUCTION COMPANY FOR 160 ACRE SPACING FOR GAS WELLS
IN THE FULCHER BASIN FIELD DEFINED FOR THE PURPOSE OF
SAID APPLICATION TO CONSIST OF THE FOLLOWING LANDS:
SECTIONS 34 AND 35, TOWNSHIP 30 NORTH, RANGE 12 WEST,
N.M.P.M. SECTIONS 7, 17, 18, 19, 20 AND 21, TOWNSHIP
29 NORTH, RANGE 11 WEST, N.M.P.M. Sections 1, 2, 3,
4, 10, 11, 12 AND 13, TOWNSHIP 29 NORTH, RANGE 12 West, N.M.P.M.
Pursuant to notice by the Commission, duly made and published

setting April 27, 1943, at ten o'clock, A. M., for hearing in the
above entitled matter, said hearing was convened on said day, at
said hour, in the Coronado Room, La Ponda, Santa Fe, New Mexico,
the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor of New Mexico, Chairman
HON. JOHN M. KELLY, State Geologist, Secretary
HON. R. H. RODGERS, Commissioner of Public Lands, Member
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Advisor.

APPEARANCES:

<u>Names</u>	<u>Company</u>	<u>Address</u>
R. E. Adams	Cities Service Oil Co.	Bartlesville, Okla.
D. C. Albers	The Ohio Oil Co.	Midland, Texas
W. D. Mitchell	Gulf Oil Corp.	Hobbs, N. M.
G. H. Gray	Repollo Oil Co.	Midland, Texas
Floyd Brett	do	Ft. Worth, Texas
H. E. Berg	Tidewater Assoc. Oil	Midland, Texas
L. F. Shiplet	The Texas Co.	Midland, Texas
E. H. Holcomb	Great Western Prod., Inc.	Lubbock, Texas
Geo. P. Livermore	do	Lubbock, Texas
Francis C. Wilson	Wilson Oil Co.	Santa Fe, N. M.
Neville G. Penrose		Ft. Worth, Texas
Glenn Staley	Proration Office	Hobbs, N. M.
Leo Fry	Stanolind	Hobbs, N. M.
R. W. O'Neill	Phillips Pet. Co.	Odessa, Texas
D. R. McKeithan	do	Bartlesville, Okla.
Colin C. Rae	Skelly Oil Co.	Tulsa, Okla.
George W. Selinger	do	Tulsa, Okla.
H. B. Hurley	Continental Oil Co.	Ft. Worth, Texas
E. H. Griswold	N.W.I.U.	Midland, Texas
R. Van A. Mills	Continental Oil Co.	Ponca City, Okla.
C. C. Cragin	Western Gas	El Paso, Texas
W. B. Davis	do	Jal, N. M.
Bert Aston	Franklin Pet.	Roswell, N. M.
C. A. Scheurich	do	Clovis, N. M.
A. E. McCorkle	Lea Co. Oper. Com.	Ft. Worth, Texas
D. W. Bodie	Cities Service Oil Co.	Hobbs, N. M.
Edgar Kraus	Atlantic Refining Co.	Dallas, Texas
J. O. Seth	Lea Co. Oper. Com.	Santa Fe, N. M.
Guy Shepard	State Treasurer	Santa Fe, N. M.
Roy Yarbrough	State Oil & Gas	Hobbs, N. M.
Wilton E. Scott	Cities Service Oil Co.	Hobbs, N. M.
Fred M. Clement	Continental Oil Co.	Hobbs, N. M.
Leo R. Manning	State Land Office	

P. D. Brommon, Jr.	The Texas Co.	Midland, Texas
L. C. Thomas	The Texas Co.	Midland, Texas
John E. Miles		Santa Fe, N. M.
H. A. Kiker, Atty.	Southern Union Prod. Co.	Santa Fe, N. M.
Van Thompson	do	Dallas, Texas
H. C. Parrish, Jr.	do	Santa Fe, N. M.
C. C. Campbell	Texas Pacific Coal & Oil	Midland, Texas
O. F. Hedrick	do	Midland, Texas
Niven Baird	American Republics Corp.	Artesia, N. M.
R. V. Fitting, Jr.	Shell Oil Co.	Midland, Texas
J. D. Hudgins	State Tax Com.	Santa Fe, N. M.
R. S. Dewey	Humble Oil & Ref. Co.	Midland, Texas
Ed Downing	Magnolia	Kermit, Texas
J. E. Moore	Shell Oil Co.	Hobbs, N. M.
F. E. Heath	Sun Oil Co.	Dallas, Texas
Frank Patten	P.A.W.	Washington, D. C.
John J. O'Malley		
M. Albertson	Shell Oil Co., Inc.	Houston, Texas
Foster Merrill	U.S.G.S.	Roswell, N. M.
Ernest A. Hanson	do	Roswell, N. M.
W. E. Hubbard	Humble Oil Co.	Houston, Texas
H. J. Kemler	Shell Oil Co.	Midland, Texas
A. E. Willig	The Texas Co.	Ft. Worth, Texas
E. C. Dahlgrin	Interstate Oil Compact Com.	Oklahoma City, Okla.
S. P. Hannifin	Magnolia	Roswell, N. M.
D. A. Powell	Drilling & Exploration Co.	Hobbs, N. M.
Bond D. Jones	Geologist	Amarilla, Texas
G. H. Card	Stanolind O. & G. Co.	Ft. Worth, Texas
C. V. Millikan	Amerada Petroleum Corp.	Tulsa, Okla.

The meeting was called to order by the Chairman, and upon request of the Secretary, the Chief Clerk read the call of the meeting, as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 40

In the matter of the application of the Southern Union Production Company for 160 acres spacing for gas wells in the Fulcher Basin Field defined for the purpose of said application to consist of the following lands: Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M. Sections 1, 2, 3, 10, 11, 12 and 13, Township 29 North, Range 12 West, N.M.P.M. Sections 7, 17, 18, 19, 20 and 21, Township 29 North, Range 11 West, N.M.P.M. This case is set for 10 o'clock A.M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 29, 1943.

Given under the seal of said Commission at Santa Fe,
New Mexico, on April 9, 1943.

OIL CONSERVATION COMMISSION

By (Sgd) John M. Kelly
Secretary."

BY MR. LIVINGSTON: The Commission is now ready to proceed.

BY JUDGE KIKER: Gentlemen of the Commission: This application seeks the establishment of a uniform program of well spacing in the Fulcher Basin Field in San Juan County, made up of properties or leases, regardless of ownership, which will be permitted by the new act of the Legislature. This application is made for reasons which will work for conservation, not only of natural gas, but materials, labor and general expenses in the development of the field. The original application was filed at the suggestion of governmental agencies which have already indicated their interest in the granting of the exception, so that with this Commission's approval, and with what I think to be promised approval of the governmental agencies, it will be unnecessary to make constant applications for exceptions. Mr. Van Thompson will set forth more fully the reasons on account of which we make this application.

VAN THOMPSON,

being first duly sworn to tell the truth, the whole truth, and nothing but the truth, was interrogated by Judge Kiker, and testified as follows:

BY JUDGE KIKER: We have filed an amended application, which is substantially the same as the original, but somewhat different in form, but the same, materially, as that already in the files of the Commission. The lease we have set out in the amended application.

Q Mr. Thompson, state the reasons for this application?

A Well, the Southern Union Production Company supplies the Albuquerque-Santa Fe District. The demand has increased from two and a half billion per year, in 1939, to better than four billion per year. In order to supply the demand, it has been

necessary to drill a number of wells. Since the war it has been necessary to make application to get authority to drill wells on 160-acre spacing for each well we drilled, because of shortage of materials --

BY MR. KELLY: You are filing this petition asking to have permission to drill as near as possible to the center of 160 acres?

A Under the state regulations it was not possible to do that. That is the purpose of the petition, in order to establish a uniform spacing all over the whole area. They have intimated that if the State grants this order, they will approve it, then we can eliminate requesting the exceptions each time we drill.

BY JUDGE KIKER:

Q As to the proposition of drilling near the center of the tract, explain that.

A Well, we don't think it will be possible to drill a well in the center, in all cases, but the petition asks that we be allowed to drill any place so that the well is not less than ⁽³³⁰⁾ 320 feet from the line.

BY MR. KELLY: You are asking this for the duration of the war?

A Yes, sir.

Q Are you the principal owner of the land in this field?

A Yes, sir, we own about eighty per cent of the acreage defined in the petition.

Q Have you received any objections from the other owners?

A No, sir. The other principal owner has 1400 acres. They have discussed this proposition with the PAW and the USGS as to the federal lands. The two companies control more than eighty per cent of the acreage in the area.

Witness excused.

C E R T I F I C A T E

I hereby certify that the foregoing and attached four pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me in Case No. 40, on the 27th day of April, 1943, and by me extended into type-writing.

Witness my hand this 6th day of May, 1943.

Esther Barton
Esther Barton.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 40

ORDER NO. 542

THE APPLICATION OF THE SOUTHERN UNION
PRODUCTION COMPANY FOR 160 ACRE SPACING
FOR GAS WELLS IN THE FULCHER BASIN FIELD
DEFINED FOR THE PURPOSE OF SAID APPLICATION
TO CONSIST OF THE FOLLOWING LANDS: SECTIONS
34 and 35, TOWNSHIP 30 NORTH, RANGE 12 WEST,
N.M.P.M. SECTIONS 1, 2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13,
TOWNSHIP 29 NORTH, RANGE 12 WEST, N.M.P.M.
SECTIONS 7, 17, 18, 19, 20 and 21, TOWNSHIP
29 NORTH, RANGE 11 WEST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., April 27, 1943,
at Santa Fe, New Mexico, before the Oil Conservation Commission of the State
of New Mexico, hereinafter referred to as the "Commission".

NOW, on the 22nd day of June, 1943, the Commission having before it for
consideration the testimony adduced at the hearing of said case and being fully
advised in the premises;

IT IS THEREFORE ORDERED:

1. That for the purpose of establishing a uniform spacing plan
within the Fulcher Basin Gas Field, as hereinafter defined, the spacing
for gas wells shall be according to the following plan:

The unit shall consist of 160 acres in an approximate square as
defined by the United States Public Land Surveys. One gas well shall be
permitted to each of such units, but no well shall be located closer than
330 feet to the exterior boundary of any such unit.

2. Provided: where such unit consists of tracts of diverse ownership
and the owners are unable to consummate a unitizing agreement, no owner of less
than 160 acre unit shall be denied his right to drill and produce, but in such
case the well shall be operated and produced in such manner as to prevent
injury to neighboring leases or properties. In such case, however, no owner
of a tract smaller than the unit shall be granted permission to drill unless
he shall first obtain an exception therefor from the Petroleum Administrator
for War.

3. For the purpose of the order herein, the Fulcher Basin Field is
defined to consist of the following lands:

Sections 34 and 35, Township 30 North, Range 12 West,
N.M.P.M. Sections 1, 2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13,
Township 29 North, Range 12 West, N.M.P.M. Sections
7, 17, 18, 19, 20 and 21, Township 29 North, Range
11 West, N.M.P.M.

4. This Order shall become effective on the 22nd day of June, 1943, and shall continue for the duration of the present war and for six months thereafter.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN H. KELLY, SECRETARY

SEAL

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

In the Matter of the Application of)
the Southern Union Production Company)
for 160 acre spacing for gas wells in)
the Fulcher Basin Field defined for)
the purpose of said application to)
consist of the following lands:)
Sections 34 and 35, Township 30 North,)
Range 12 West, N.M.P.M. Sections 1,)
2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13, Township)
29 North, Range 12 West, N.M.P.M.)
Sections 7, 17, 18, 19, 20 and 21,)
Township 29 North, Range 11 West,)
N.M.P.M.)

Case No. 40.

AMENDED APPLICATION

Comes now Southern Union Production Company and for its application herein respectfully shows to the Commission:

1. Applicant is the principal owner of oil and gas leases in the Fulcher Basin Field in San Juan County, New Mexico; and hereby applies to the Commission for authority to establish a uniform spacing plan of one gas well for each 160 acres of land owned or leased by applicant, under condition that the location of each well shall be not closer than 330 feet to any 160 acre unit line.

2. For the purpose of this application, the Fulcher Basin Field is defined to consist of the following lands:

Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M.
Sections 1, 2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13, Township 29 North, Range 12
West, N.M.P.M. Sections ⑥ 17, 18, 19, 20 and 21, Township 29 North,
Range 11 West, N.M.P.M. ⑦

3. A map, or plat, of the area above described has been filed with, and is now in the files of, this Commission.

4. A spacing plan as outlined above for State and fee lands will enable the applicant to establish a uniform spacing rule for all land under its control in the Field, including Federal land under the jurisdiction of the United States Geological Survey.

5. The authority sought from this Commission will materially assist the applicant in getting approval from the Petroleum Administrator

for War, and from the War Production Board, for authority to drill additional wells in this area.

6. Under date of February 18, 1943, Mr. D.E. Buchanan, District Director of Natural Gas and Natural Gasoline Division of the Petroleum Administration for War, addressed a letter to Mr. Ernest A. Hanson, Supervisor of Oil & Gas Operation, U. S. Geological Survey, Roswell, New Mexico, and furnished to applicant a copy of said letter, in which it is said:

"As further intention of Southern Union's cooperative attitude, this office also today is in receipt of a copy of a petition which they have already filed with the State Conservation Commission requesting a hearing on the 160 acre spacing proposed.

"It is therefore anticipated that a field-wide development program will now evolve to the satisfaction of all interested parties."

7. Under date of February 8, 1943, Mr. Buchanan, District Director of Natural Gas and Natural Gasoline Division, addressed a letter to the applicant, in which he stated:

"In the light of your three applications for exception to M-68 and your disclosed purpose to drill additional wells in this field from time to time, this office believes it would be to the interest of all concerned if you would file with the Commission a petition requesting 160 acre field-wide spacing and to provide for locating future wells in the center of such units.

"If it is feasible to establish such a program through the media of filing a petition with the State, and, later, a form 214-A with the Petroleum Administration for War, you would be relieved of a great deal of burdensome work and delay in connection with future drilling operations."

8. Following the suggestion made by said Mr. Buchanan, the original application herein was filed; and upon information so received from officers of the Department of Petroleum Administration for War, and information from the U.S. Geological Survey, applicant fully believes that if the authority herein sought is granted, the application above referred to, to be filed with the Petroleum Administration for War, will necessarily also be granted, so that a field-wide development program will thereby be established to the complete satisfaction of all interested parties.

9. Applicant further shows to the Commission that applicant supplies all of the markets of the Southern Union Gas Company in the cities of Farmington,

Albuquerque, Santa Fe, Bernalillo, Los Lunas and Belen; and in addition to the needs of those served by approximately 15,000 meters for measuring gas for domestic consumers, the same being of useful benefit to a total population considerably in excess of 100,000 people, applicant also supplies large industrial consumers, such as the A.T. & S.F. Railway Shops at Albuquerque, the Albuquerque Air Base, four power plants, several hospitals, laundries and other industrials, all of which contribute directly or indirectly to the war effort; and the demand upon applicant for gas is constantly increasing so that a well-organized plan for drilling which will be effective and satisfactory to all parties concerned is imperative.

WHEREFORE, applicant prays that its application be approved and that authority be granted to it in conformity to its application and this amended application to establish a uniform spacing plan of one gas well for each 160 acres of land owned or leased by the applicant in the territory in this application described.

Respectfully submitted,

Law Thompson
Superintendent of Production

KIKER & SANCHEZ

By W. H. Kiker
Attorneys for Applicant
Santa Fe, New Mexico

LEGAL NOTICES

NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 40—

In the matter of the application of the Southern Union Production Company for 160 acre spacing for gas wells in the Fulcher Basin Field defined for the purpose of said application to consist of the following lands: Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M. Sections 1, 2, 3, E½ 10, 11, 12 and 13, Township 29 North, Range 12 West, N.M.P.M. Sections 7, 17, 18, 19, 20 and 21, Township 28 North, Range 11 West, N.M.P.M. This case is set for 10 o'clock A. M., April 27, 1943.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting March 29, 1943.

Given under the seal of said Commission at Santa Fe, New Mexico, on April 9, 1943.

OIL CONSERVATION

COMMISSION,

by (sgd.) JOHN M. KELLY,

Secretary.

(Seal)

Published in Farmington Times Hustler, Farmington, New Mexico.

First pub., Fri., April 16, 1943.

PROOF OF PUBLICATION

State of New Mexico
County of San Juan—ss.

Orval Ricketts,

being first duly sworn upon his oath deposes and says:— That during the time of the publication of the notice hereinafter mentioned, he was the

Managing Editor

of the FARMINGTON TIMES HUSTLER, a weekly newspaper published at Farmington in said County of San Juan and State of New Mexico; that the notice of

"Notice For Publication"

of which a printed copy taken from said newspaper is hereto annexed, was published in the regular issues of said newspaper once in each week for

One successive weeks; that the date of the first publication thereof was the Sixteenth

day of April, 1943, and the date of the last publication thereof was the Sixteenth day of

April, 1943; that said newspaper is published and of general circulation in said county, and is a legal newspaper qualified to publish any notice required by law to be published.

Receipt is hereby acknowledged by the publishers of payment in full for publication of the above mentioned legal notice.

Orval Ricketts

Subscribed and sworn to before me

this 24th day of April, 1943.

Edmond P. Woods

Notary Public

My commission expires 11/1/45

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

The Oil Conservation Commission by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

CASE NO. 40

In the matter of the application of the Southern Union Production Company for 160 acre spacing for gas wells in the Fulcher Basin Field defined for the purpose of said application to consist of the following lands: Sections 24 and 35, Township 35 North, Range 12 West, N.M.P.M. Sections 1, 2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13, Township 29 North, Range 12 West, N.M.P.M. Sections 7, 17, 18, 19, 20 and 21, Township 29 North, Range 11 West, N.M.P.M. This case is set for 10 o'clock A.M., April 27, 1943.

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Given under the seal of said Commission at Santa Fe, New Mexico, on April 9, 1943.

OIL CONSERVATION
COMMISSION

By (Sgd) JOHN M. KELLY S BILL
(Seal) Secretary.

Published April 12, 1943.

..... time at \$ 3.52

..... lines, times, \$

Tax \$

Total \$ 3.52

Received payment,

By.....

Affidavit of Publication

State of New Mexico. } ss.
County of State Fe

I, A. N. Morgan, being first duly sworn, declare and say that I am the (~~Business Manager~~) (Editor) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper once each week for one time ~~one week~~ ~~one month~~ ~~one year~~ ~~one year~~ the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, ~~one time~~ ~~one week~~ ~~one month~~ ~~one year~~ ~~one year~~ for one time ~~one week~~ ~~one month~~ ~~one year~~ ~~one year~~ the 12th day of April, 1943, and the publication being on the 12th day of April, 1943; that payment for said advertisement has been (duly made), or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

A. N. Morgan
Editor

~~Business Manager~~

Subscribed and sworn to before me, this 13th

day of April, A.D., 1943

Anna K. Ormsbee
Notary Public.

My Commission expires

June 11, 1945

L CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 8, 1943

The Santa Fe New Mexican
Santa Fe, New Mexico

Times-Hustler
Farmington, New Mexico

Re: Case No. 40 - Notice for Publication

Gentlemen:

Please publish the enclosed notice once, immediately.
Please proof read the notice carefully and send a copy of the
paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND
PUBLISHER'S AFFIDAVIT.

For payment please submit statement in duplicate
accompanied by voucher executed in duplicate. The vouchers
must be signed by a notary in the space provided on the back
of the voucher. The necessary voucher blanks are enclosed.

Very truly yours,
John H. Kelly
Director

By

Chief Clerk & Legal Advisor

CBL:MS

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 40

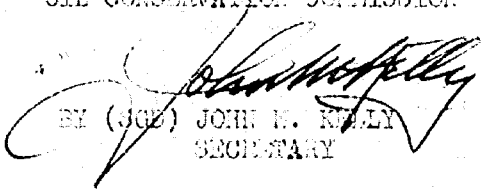
In the matter of the application of the Southern Union Production Company for 160 acre spacing for gas wells in the Fulcher Basin Field defined for the purpose of said application to consist of the following lands: Sections 34 and 35, Township 30 North, Range 12 West, N.M.P.M. Sections 1, 2, 3, 10, 11, 12 and 13, Township 29 North, Range 12 West, N.M.P.M. Sections 7, 17, 18, 19, 20 and 21, Township 29 North, Range 11 West, N.M.P.M. This case is set for 10 o'clock A.M., April 27, 1943.

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OIL CONSERVATION COMMISSION


BY (JCE) JOHN E. KELLY
SECRETARY