

Case 1295: Application of Southern Union Gas  
Southern Union Gathering Co. for  
suspension of cancellation of gas production  
in B. wells, San Juan and Rio Arriba Counties.

Case No.

1295

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
August 15, 1957

Case No. 1275 and Case No. 1276

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES  
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3-6691 5-9546

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
August 15, 1957

IN THE MATTER OF:

Application of Southern Union Gas Company and Southern Union Gathering Company for the suspension for a period of not less than six months of the cancellation of underproduction in the six prorated gas pools in San Juan and Rio Arriba Counties, New Mexico. Applicants, in the above-styled cause, seek an order extending until a date not earlier than January 31, 1958, the date upon which accumulated underproduction accrued to certain of their connections as of January 31, 1957, will be cancelled for non-production under the provisions of the Special Rules and Regulations for the Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, West Kutz-Pictured Cliffs, and Blanco Mesaverde Gas Pools in San Juan and Rio Arriba Counties, New Mexico. Applicants further request similar relief for any and all wells of other producers in the same pools if the facts and circumstances are such as to make similar relief necessary.

Case 1295

IN THE MATTER OF:

Application of the Oil Conservation Commission of New Mexico upon its own motion for the suspension for a period of not less than six months of the overage shut-in provisions of the Special Rules and Regulations for the six prorated gas pools in San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order suspending until a date not earlier than January 31, 1958, the overage shut-in provisions of Special Rules and Regulations for the Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, West

Case 1296

Kutz-Dickson-Glenn, and others, et al.,  
Pools in San Juan and Rio Arriba Counties, New  
Mexico.

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BEFORE:

Mr. Murray Morgan  
Mr. A. L. Porter  
Governor Edwin L. Mechem

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order. The Commission will take up the next case, 1295.

MR. COOLEY: Case 1295. Application of Southern Union Gas Company and Southern Union Gathering Company for the suspension for a period of not less than six months of the cancellation of underproduction in the six prorated gas pools in San Juan and Rio Arriba Counties, New Mexico.

Case 1296. Application of the Oil Conservation Commission of New Mexico upon its own motion for the suspension for a period of not less than six months of the overage shut-in provisions of the Special Rules and Regulations for the six prorated gas pools in San Juan and Rio Arriba Counties, New Mexico.

These are the same six prorated gas pools concerned in Case 1295. In view of the circumstances covering these two cases and the similar subject matter thereof, I move the Commission at this time to consolidate Cases 1295 and 1296 for purposes of hearing and order.

MR. PORTER: Is there any objection to Mr. Cooley's motion?

MR. GRENIER: A. C. Grenier, representing Southern Union Gas Company and Southern Union Gathering Company. We support the motion just made by Mr. Cooley and feel it appropriate that the two cases be disposed of in this fashion.

MR. PORTER: If no one has an objection, the cases will be consolidated for the purposes of hearing only.

MR. GRENIER: May it please the Commission, we have one witness in this case, Mr. J. R. Bynum. We would like to have him sworn.

MR. COOLEY: Will all other witnesses in this case stand and be sworn at this time?

(Witnesses sworn.)

MR. GRENIER: I gather that notwithstanding the consolidation, you would like for us to proceed first?

MR. COOLEY: That is correct, Mr. Grenier, please do.

J. R. BYNUM

the witness, of lawful age, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

By MR. GRENIER:

Q Please state your name for the record.

A J. R. Bynum.

Q By whom are you employed?

A Southern Union Gas Company.

Q In what capacity?

A Administrator of Gas Contracts and Prorations.

Q How long have you been serving in that capacity?

A Approximately four years. However, I have actually been in charge of the company's Gas Contract and Prorating work for about eleven years. It is only when the Commission issued its first prorating orders in the San Juan that we set up a separate section of our Engineering Department to take care of it.

Q Describe for us your general duties as head of this gas proration and contracts section.

A Our section's primary function is to keep informed and to keep records on the status of our active contracts from the standpoint of minimum purchases, price structures, and ratable takes as established by the Oil Conservation Commission under prorating procedures.

Q Do you keep track in your office then of the production of the various wells to which Southern Union Gas Company and its subsidiary, Southern Union Gathering Company, are connected in these Northwest New Mexico pools?

A That is correct. We keep production records on all pools, whether prorated or not.

Q As to wells in these six Northwestern New Mexico prorated pools, do you keep any running record in your office which would match the well's production from time to time with their status under prorating?

A Yes, each month we reconcile our production records to

conform with the monthly proration schedules furnished by the New Mexico Oil Conservation Commission.

Q Before the coming of prorationing in New Mexico, what sort of records had you kept on New Mexico wells?

A For quite some time, practically all of our wellhead gas purchase contracts have contained minimum purchase obligations and also undertaking that we will take ratably from all wells connected to our lines in any given pool. Before prorationing the records we kept were those needed to make sure that these obligations in our contracts were being properly met.

Q Now suppose you discovered that a group of wells in a particular field was either overproduced at a given moment or underproduced as far as prorationing is concerned, what, if anything, does your office do about it?

A As best we can, we try to bring the situation back into balance as soon as possible, either by shutting in the wells when they are overproduced or trying to pull them a little bit harder when they are underproduced. Our section notifies our people in the field as to what needs to be done along these lines and we work along with them on a constant, day-to-day basis.

Q Are you generally familiar with Southern Union's operations in the San Juan Basin area?

A Yes, I am. This is the area where gas prorationing has had the greatest impact on our Company and it is the area to which I am sure I devote by far the greater part of my time.



Q How many pools are there in the San Juan Basin area in which the New Mexico Oil Conservation Commission has issued prorationing orders?

A Prorationing orders have been issued in six pools in this area to date, as follows: the Aztec, Ballard, Fulcher Kutz, South Blanco, and West Kutz-Pictured Cliffs pools, and the Blanco Mesa-verde pool.

Q In how many of these prorated pools does Southern Union operate?

A We have gathering lines in all of them, as well as in several nearby non-prorated pools.

Q What is done with the gas that Southern Union takes from this area?

A Except for the volume that we deliver to El Paso Natural or which are consumed in field operations, all of the gas goes to Southern Union's customers in Santa Fe, Albuquerque, Farmington, Los Alamos, and the surrounding territory in northwestern New Mexico. This is an integrated pipeline system which we operate, so that gas from practically any of these pools can be transported to any or all of our markets.

Q Does any of this gas go out of the state?

A No, not at the present time, except for gas delivered to El Paso Natural.

Q How long has Southern Union been taking gas from the San Juan Basin for service to this portion of New Mexico?

A Since about 1929.

Q Were there any other pipelines taking gas from the San Juan Basin area at that time?

A Only Durango Natural Gas Company which used gas from a few wells in the Ute Dome Field for service to the City of Durango, Colorado, and vicinity. The properties of that company were acquired by Southern Union in 1949. Durango, however, is now being supplied entirely from Colorado sources.

Q Now at this time are there any other pipelines taking gas from the area that we have been talking about?

A Yes, El Paso Natural, which came in about 1951, and Pacific Northwest Pipeline Corporation, which started taking gas from the area last year.

Q So that for a considerable number of years, Southern Union and Durango Natural represented the only market for gas from this area?

A That is right.

Q How do the takes from the area by El Paso and Pacific Northwest compare with those of Southern Union at the present time?

A As shown by the table appearing on page 2 of Southern Union's application in this case, it and its wholly-owned subsidiary, Southern Union Gathering Company, are now taking only about 17% of the gas produced from the prorated pools.

Q How many wells was Southern Union connected to in order to take that 17%?

A The last count I have is 604 wells, of which 532 are in prorated fields and 72 in non-prorated pools. Where I said "fields" I should have said "pools".

Q That would be as of June 30?

A As of June 30, 1957.

Q In recent years has Southern Union been able to take gas from the wells connected to its lines in this area ratably with the takings of El Paso Natural?

A No, not by means of sales to its own local New Mexico customers.

Q Why is that?

A Well, principally it comes down to a matter of load factor. The territory that we serve in New Mexico is not heavily industrialized so that every winter we have a big increase in the demand for gas in order to take care of our residential and small commercial customers' space heating requirements. For several years we have had only about a 50% load factor in this area, by which I mean that we have been able to sell on a daily average basis through the year only about half as much gas as we have had to deliver during the peak days of the winter heating season.

El Paso, on the other hand, sells most of its gas in the California area where there are, I understand, a considerable number of large interruptible consumers, as well as some local California production that El Paso customers utilize as low load factor. In any event, El Paso has been able for several years past to pull on

the wells connected to its lines in this area on considerably better than a 50% annual load factor basis, as is generally true of most long line gas transmission companies.

Q Are you complaining about El Paso's load factor being so much higher than Southern Union's?

A No, absolutely not. They have a market which they are under a duty to serve and I feel sure that it is merely because of their good faith efforts to serve that market in the most economic fashion that they have been taking from the San Juan Basin on the load factor basis that they have.

Q What does this mean in terms of number of wells that Southern Union must be connected to per MCF of annual deliveries as compared with El Paso Natural, say?

A Well, this means that per MCF of annual take Southern Union must have more peak day delivery capacity and so must have more wells connected to its lines.

Q What is the effect of this difference in load factor between the two companies when prorationing comes into the picture?

A Very briefly, it means that El Paso is being awarded allowables by the allocation formula which are less than they actually need to supply their markets, while Southern Union is being given allowables which are greater than they can market in its own New Mexico service territory. This is so because we are connected to proportionately more wells than El Paso is; that is, on an annual load basis. Thus, since all similar wells will be given the same

allowables without regard to which company's lines they are connected to, Southern Union finds its annual takes falling below the pool average and El Paso finds its takes exceeding it on a well by well basis.

Q How about Pacific Northwest? Has its load factor been higher than Southern Union's?

A From the statistics available at this time, it appears to be considerably higher than Southern Union's.

Q When did prorationing first come to the San Juan area?

A Prorationing was instituted in 1954 in all of the presently prorated pools except the Ballard-Pictured Cliffs pool, where it did not come in until 1956, and the Blanco-Mesaverde pool where it came in in early 1955.

Q Had Southern Union and El Paso made any effort before 1954 when prorationing came in to equalize their takes in this area so as to make them ratable on a well by well basis?

A Yes, a contract was entered into under date of August 31, 1953, between El Paso Natural, as buyer and Southern Union Gathering Company, as seller, which provides for the delivery by Gathering Company to El Paso of up to 40 million cubic feet per day. The purpose of this contract was to let Southern Union, through the medium of its subsidiary, deliver enough gas throughout the year to El Paso Natural so as to put them both on substantially the same annual load factor basis and thereby enable them to take ratably with each other from the wells connected to their respective lines.

Like Southern Union, El Paso is taking gas from a large number of pools in the San Juan area, and commingling gas from all of these pools for marketing purposes. This means that even though deliveries are being made by Southern Union to El Paso from only one of the pools, the beneficial effects of the deliveries are felt as to all of them.

Q How well have these arrangements between El Paso and Southern Union worked out?

A Well, they worked pretty well for several years, thanks to close cooperation between the people of our company and El Paso's company, and the cooperation between them both in the fields and in our respective home offices. Now, however, we are beginning to have trouble again.

Q Why is that?

A Two things have happened within the past year. First of all, Pacific Northwest has now begun to take gas from the area in large scale volumes for the first time, and their high load factor takes have again produced the same situation that we were trying to cure with our 1953 contract with El Paso Natural.

In addition to that, at about the same time, El Paso, as I understand it, put into operation substantial additions to their California transmission capacity, which meant that they were stepping up considerably the volumes of their takes from the area over what they had been before.

Q What was Southern Union's status, or perhaps I should say,

What was the status of the wells connected to Southern Union's lines at the start of the present balancing period which began on January -- well, February 1, 1957?

A 262 wells connected to our lines were underproduced on that date by an aggregate of 4,570,679 MCF. 169 wells on our lines were overproduced by a total of 1,854,124 MCF. We thus had a net of 2,716,555 MCF of underproduction for our wells as a whole.

Q Is that for both Gas Company and Gathering Company together?

A Yes, it is.

Q Now, as of the end of June, 1957, which is the latest date for which I understand you have figures available, is that correct?

A That is correct.

Q How much of that total of 2,716,555 MCF of underproduction was subject to cancellation as of July 31 of this year because it hadn't yet been made up?

A 2,686,383 MCF.

Q What, if anything, does Southern Union now propose to do to remedy this situation?

A After several months of study and negotiation, Southern Union and El Paso reached an agreement in June of this year which looks toward sufficient added sales of gas by Southern Union to El Paso to let us work off our underproduction in all of the wells in this area which are now physically capable of making it up. Once we get caught up, we will continue to sell them enough gas so as to keep the situation in continuing balance thereafter.

Q Have their contracts already been signed, Mr. Bynum?

A I believe so.

Q Do you know when it is contemplated that the facilities that are going to be necessary to do this are going to go over to Southern Union Gathering Company from Southern Union Gas Company?

A As of August 1st, 1957, this year.

Q Will the volumes of gas that Southern Union can deliver to El Paso at the delivery point under the 1953 contract be sufficient to take care of this situation?

A No, the gathering system can only put out about 70 million cubic feet a day, I mean -- that is right, 70 million cubic feet, and it looks as though we are going to need considerably more than that for some time to come.

(Southern Union Gas Company's  
Exhibits 1 and 2 marked for  
identification.)

Q What is proposed? Do you have a map that can indicate to us what the companies have in mind in this regard?

A I think I can show you on this map right here.

Q This is Southern Union's Exhibit A which you are referring to now, is that correct?

A I believe it is identified as Exhibit 1.

Q Exhibit 1, thank you.

A At the present time, the Mesaverde gas in this particular area colored in red, I believe, since December of 1956 all of the production from these wells has been delivered to El Paso Natural



in an attempt to equalize and take ratably from the wells.

Q But there have been some deliveries since 1953 which have been made to El Paso as needed, is that correct?

A Oh, yes, this is the source of the deliveries under that 1953 contract at this point right here.

Q That is the system from which the 70 million a day is now being delivered, is that correct?

A That is correct.

Q Now then, there are two other colored areas to the west. What do those represent, Mr. Bynum?

A This section here, which we call our Crandell gathering line, is 34 wells in this area.

Q Is that the one colored in orange that you are pointing to?

A Yes, the orange color identifies our Crandell system. There are 34 wells in this system. Under the new arrangements effective August 1st, all of this area, or rather these 34 wells in these lines down to here have been assigned over to Southern Union Gathering Company.

Q You say down to here, could you identify them by section what that delivery point is?

A That is Section 9, Range 11 West, and its in Township 30, I believe, 30 North.

Q It's at that point that deliveries are intended to be made into one of the gathering trunks of the El Paso Natural?

A I understand that it will be delivered into El Paso's trunk

line going to Blanco.

Q Running from east to west at the southern terminus of the orange facilities?

A That is right.

Q If it turns out that all that gas is not going to be needed to go to El Paso, is there any provision for letting it come back to Southern Union's own system?

A That is correct, it will be a delivery point just south of the two Southern Union's, of the delivery point to El Paso going west.

Q What are those green facilities there, Mr. Dynum?

A The green facilities include about 41 wells presently owned by Southern Union Gas Company which under the agreement with El Paso, if and when additional gas deliveries are needed to equalize or effect ratable take between wells, we propose to include and put these wells into the Gathering Company for delivery to El Paso at this same point down here.

Q In order for these deliveries to be made to El Paso Natural Gas Company by Southern Union Gathering Company, is FPC approval necessary?

A Yes, it is.

Q What do you know about the status of the applications with regard to these two new areas?

A It is my understanding that the paper work has already been done, the papers have been prepared on the initial 34 wells here

in red.

Q Now that is the old area in red, is it not?

A I take it back, I mean the orange color over here.

Q So on the Crandell line the paper work has been done and it is expected that the application can be filed about when?

A Next month.

Q Is a request being made for temporary authorization in that application?

A That is correct. A temporary certificate has been requested in this application on the 34 wells colored in orange.

Q Has the paper work been done on the green area yet, the La Plata area, so-called?

A I understand that it has not been prepared yet. We expect to have it prepared later this year, but in any event, not later than shortly after the first of the year.

Q That, too, will ask, as you understand the program, for a temporary certificate so there won't be a long delay in getting FPC approval?

A That is correct.

Q What do you visualize that the results of this project are going to be, that is to say, the putting in of these Crandell and La Plata facilities?

A Assuming prompt beginning of deliveries to El Paso Natural, we now expect to be able to work off all of the cancellable under-production of wells connected to our lines which are physically

capable of making it up by January 31, 1958.

Q Is it reasonable to assume an immediate start to these deliveries?

A I beg your pardon?

Q Is it reasonable to assume a fairly early start to these deliveries, or is that entirely up to the Federal Power Commission?

A It will be entirely contingent on receipt of the certification from the FPC.

Q Or at least a notice that we can proceed temporarily?

A Correct.

Q Will these new arrangements let all of the currently underproduced wells on Southern Union's lines make up their back allowables?

A No, as of the end of June there were 203 wells on Southern Union's lines which had underproduced allowables subject to cancellation as of July 31, 1957. Of these we feel quite sure that 110 will be able to make up the back allowable. As to the other 93 wells, we have our doubts.

Q We have passed out already to the members of the Commission and its staff, as well as to several of the interested parties in the room here, copies of a document which is referred to as Southern Union's Exhibit No. 2. Whereabouts in this Exhibit No. 2 are these 110 wells listed that you say that you think can make up their back underproduction?

A Well, the individual wells we're talking about here are

listed on pages 2, 3, 4, and 5, Southern Union Gas Company.

Q And on page 6?

A On page 6 the individual wells we are talking about for Southern Union Gathering Company.

Q Then is there a summary for the two companies together, by pools?

A That is page 1.

Q That is on page 1?

A Yes.

Q Turning to page 2, which is fairly typical of the way the information is assembled there, what would that show as to each well; just give us an example, say that Aztec Hampton No. 1 there, which is the first one listed?

A Page 2 lists as of June the 30th the wells connected to the lines of Southern Union Gas Company, and in the left-hand column are shown the pool well names; in the second column is shown their underproduced status as of January 31, 1957.

Q So that everything in the first column is underproduction, is that correct?

A Correct. The next three columns show for the month of February, 1957, the allowables for the wells, their production and the balance of underproduction remaining subject to cancellation as of the end of the month.

Q Then that carries forward for succeeding months in the next columns?

A That is right, the same information is shown for the months of March, April, May and June in successive columns.

Q What is the last column on the sheet?

A The last column shows for each well the amount of accumulated underproduction which on June 30, 1957, still remained subject to cancellation July 31, 1957, if not produced in the meanwhile.

Q Excuse me?

A If not produced in the meantime.

Q The arrangement of data is the same on the rest of the pages, 2, 3, 4 and 5, for Southern Union Gas Company, and on page 6 for Southern Union Gathering Company, is that correct?

A That is correct.

Q Now what is the basis for the conclusion which you have expressed that these 110 wells which are listed on pages 2 to 6 of this exhibit and summarized on sheet 1 are physically capable of making up their back unproduced allowables?

A Well, we have, I believe that is shown on our summary data at page No. 13 in comparative statement of peak month and the average monthly allowables, and also reflects the indicated excess producing capacity.

Q Well, leaving the summary sheet and, say, going over to sheet 14 of this exhibit, is the arrangement of wells on pages or sheets 14 through 19 the same as it was in this first listing of wells that you were talking about a moment ago?

A That is correct.

Q Now, turning please to page 14 there, indicate to us by columns what the various items of data are that are shown at that point.

A In column 1 we have listed the peak monthly production for the period from February 1, 1956, through June 30, 1957. In the second column there we have shown the average monthly allowables that have been assigned to the respective wells. Now the third column shows the indicated excess producing capacity of those particular wells.

Q So that each of the wells which are listed here on pages 14 through 19 have at some time during the period subsequent to February 1, 1956, produced an amount in excess of its average monthly allowable, which would be indicated over in the right-hand column, is that right?

A That is correct.

Q Now taking this group of wells as a whole, what is shown on sheet 13 as being their aggregate indicated excess producing capacity when figured on the basis that we were just talking about?

A On a per month basis, 584,943 MCF.

Q Now how much was the accumulated underproduction subject to cancellation for this same group of wells as shown on sheet 1 of the exhibit?

A Did you say accumulative?

Q Yes, how much was the balance subject to cancellation as of July 31, 1957 for these wells in the aggregate?

A 1,068,080 MCF.

Q So that the amount that was subject to cancellation then as of July 31, 1957, would be not quite twice the monthly excess producing capacity for these wells, is that correct?

A That is correct.

Q Now these are total figures, is that right?

A That is correct.

Q And there might be some individual wells that would take longer than two months to make up their back underproduction, and there might be others that could make it up in less time?

A That is correct, some of these wells might make their underage up in a week, others it might take six months.

Q Mr. Dynum, you said there were 93 other wells that you didn't think would be able to make up their accumulated underproduction which would be subject to cancellation on July 31. Are those wells also listed in this Exhibit No. 2?

A Yes. Those are listed on the summary sheet of Southern Union Gas Company and Southern Union Gathering Company on page 7. The detail of the wells connected to Southern Union Gas Company is shown on pages 8, 9, 10, and 11. Detail of the wells connected to the Gathering Company are shown on page 12.

Q Do you feel that any of these 93 wells, based on the information that you have, will be able, when these new arrangements are put into effect between El Paso and Southern Union, to work off their back allowables within a reasonable period of time?



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A No, not entirely. I base that statement on the fact that each of these wells had an accumulated underproduction on January 31, 1957, and that in none of the succeeding months has it been able to produce any significant amount of its underage, so that its accumulated underproduction has continued to increase since the start of the present balancing period.

Q Was this Exhibit 2 and all the various sheets making it up prepared by you or under your immediate supervision, Mr. Bynum?

A Yes, they were.

Q Do you feel that the various schedules accurately represent the information which they attempt to portray?

A I do.

MR. GRENIER: We would like to have Exhibits 1 and 2 admitted in evidence at this time, if we might.

MR. PORTER: Without objection they will be admitted.

(Southern Union's Exhibits 1 & 2  
received in evidence.)

Q When Southern Union filed its original application in this case, there were attached to that application some exhibits which are fairly similar to this Exhibit 2 that we have just been discussing, is that correct, Mr. Bynum?

A That is right.

Q Now there have been some wells which have moved back and forth from one side of the ledger to the other, is that correct?

A Yes, sir.

Q Now, taking them up one at a time, there is the Linda Nye No. 1 well; what has happened to that as far as its status on these exhibits is concerned?

A We understand that well has been reworked. In our original application we showed it incapable of making it; since that time the allowable, by reason of the reworking, has been increased three times of what it originally was, and so it can make up its under-production.

Q So now it has been moved from the group of wells that no relief was asked for to the group of wells we are asking the relief for, is that correct?

A That is correct.

Q Who is the operator of that well?

A Delhi Oil Corporation.

Q In addition to that, does the Delhi have the Florence Federal 214 well?

A Yes.

Q Tell us about that one.

A I understand that one is scheduled for rework also, possibly may be in the process of rework now.

Q And it is on the basis of that scheduled rework that you have moved it up to the group of wells in which confirmative cancellation of allowables has been requested?

A That is correct.

Q When the exhibits were prepared to accompany the application

those were all as of May 31, 1957, isn't that correct?

A The original application statistics were shown as of May 31.

Q What about the Sexton No. 1 well, how was it handled at that time? This is the Southern Union Sexton No. 1.

A In our May 31st, I mean in our original application as of May 31st, it showed an underproduced status; since that time it has passed over and has no cancelled allowables at this time.

Q So it is no longer on either of these schedules?

A That is correct. Incidentally, that is Southern Union Gas Company's well.

Q Then there is the Vasely No. 1 well. Did the same thing happen to it as happened to the Sexton No. 1 well?

A That is right, the same thing.

Q Now the Humble Jicarilla 7-J well, what is the story on it?

A That is one of the wells that is included in this interference test.

Q Can you speak a little louder? I think the staff is having a little difficulty. The Jicarilla 7-J well is shut in during an interference test program that we have over there?

A I don't know, I think it will be several months before it will be put on the line. I understand, too, that it is exempt from proration orders.

Q Now, you said, I believe, that Southern Union Gas Company and Southern Union Gathering Company were connected to some 532 wells in these prorated pools, and you have so far spoken of only

110 of them in which some relief was asked, and 93 others which you said couldn't have much hope of making up back underproduction, or some 203 of them altogether. What is the status of the rest of those wells, Mr. Bynum?

A The rest of the 532 wells were either overproduced or in a marginal status.

Q Either overproduced or marginal?

A Yes.

Q Now, were any of the wells which were listed in your Exhibit 2 classified by the Commission as marginal wells?

A None of them have so far been classified by the Commission. It is possible that some of them will be so classified by the Commission in due course. The key fact about these wells is simply that they are being assigned allowables which they are not making.

Q To what do you attribute the failure of these wells to make their allowables?

A Well, I'm not an expert on well testing procedures, and I am not an expert either on production matters of an engineering nature. All I can say is that they are just simply not making their allowables.

Q Now as to the 110 wells that we first mentioned here, what relief is asked in Southern Union's application in this case?

A Well, originally Southern Union and its subsidiary, Southern Union Gathering Company, asked that at the end of the current balancing period, which would ordinarily come on July 31, 1957, be

postponed for a period of at least six additional months as to the 108 wells which were listed in our original application.

Q That figure is now 110?

A It is now 110.

Q What would that do, then, as far as these 110 wells are concerned, as regards giving them time to work off accumulated underproduction? How long a run would they have if it were postponed for six months?

A Based on the June production which I got just a little while ago, that would amount to just two days' production.

Q Well, I'm afraid you misunderstood my question. A well that was underproduced on January 31, 1957, would in any event have six months to work off that underproduction during the balancing period ending July 31, 1957, wouldn't it?

A That is correct.

Q So that adding six months more on would make a total period of how long?

A It would make a total of twelve months.

Q You said that this 108 had now been brought up to 110 by the changes you have described?

A That is correct.

Q There have been some additions there. How many of these wells, these 110, is Southern Union now the owner and operator of?

A Well, I've not attempted to compile detailed information as to Southern Union's ownership. I do know, however, that we or

the subsidiary are the operators of 14 of the 110 wells. I would assume that we would operate about the same number.

Q Taking 14 away from 110 leaves 96, what is Southern Union's interest in that 96 wells that makes it appropriate for Southern Union to be filing an application about them?

A In the first place, all of these wells are presently connected either to Southern Union Gas Company's or Southern Union Gathering Company's lines. That makes us feel that we owe the owners of these wells a moral duty to protect their interests in a situation of this kind over which they have little or no control themselves. This is a situation which has come about largely through the suddenly increased takings of El Paso Natural and Pacific Northwest, and that is something that these well owners could do nothing about.

Q Would the relief that is being asked for on the 110 wells discriminate against the other wells in the five prorated pools?

A No. It will give the owners their chance to produce their fair share of the pools' recoverable reserves. If these wells' back allowables are cancelled for underproduction as of July 31, they will be denied that opportunity. I might point out in this connection that the total underproduction we are talking about here as of June 30, 1957, amounted to only 1,068,080 MCF, which, based on the figures that I spoke of a while ago for June, would be equal to only about two days' production for the six fields involved. Obviously, this is not much when viewed from the standpoint of

total production. From the standpoint of the individual well owners, however, it is evident that the back allowables here involved are in many instances of material financial importance.

Q What about other wells that are in the same situation which are connected to Pacific Northwest's lines or those of El Paso Natural? Is Southern Union specifically asking any relief for them?

A No, not specifically. Frankly, we have not made any study of those situations. I could not say whether there are any such wells or whether there are not. Certainly, however, if there are any such wells, the particular facts involved might indicate that some or all of them are entitled to the same sort of relief that we are asking for the 110 wells listed in Exhibit 2, I believe it is.

Q Am I correct in recalling that Southern Union amended its application in this case so as to request generally that relief be granted to all other wells that might be shown to be in the same situation as those that we are specifically talking about?

A Well, as I mentioned, we have already amended our application to take this possibility into account. We would in any event support the idea of such relief being granted to any producer.

Q Do you feel that Southern Union is asking for anything here which is the result of a situation that could have been avoided if that company had looked down the road as far as it should have and handled its affairs accordingly?

A No, Southern Union has always tried very hard to make pro-rationing work, and has tried as best it could to look ahead and

take care of these situations before they arise. I think that the 1953 contract with El Paso is a pretty good illustration of what Southern Union and El Paso Natural are working together to try to do. It shows that Southern Union and El Paso started adjusting to the situation even before prorationing officially began. Looking back, of course, I am sure all of us can see things now that we think we should have seen some time ago, but did not. All I know is that all along we have been trying to make prorationing work and to set up the necessary arrangements which were called for from time to time in order to make it work.

Q Referring to that 1953 contract, what volumes of gas have been delivered under it to date by Southern Union to El Paso?

A During the last four months of 1953, we sold to El Paso 1,683,000 MCF, or an average of 14,271 MCF per day. In 1954, we sold 8,152,000 MCF, a daily average of 22,335. In 1955, we sold 11,194,000 for a daily average of 30,670 MCF. In 1956, 10,174,000, for a daily average of 28,000 MCF. During the first six months of this year, we delivered 10,355,107 MCF, for an average daily delivery of 57,211. For the period as a whole, that is to say, from September 1953 through June 1957, we had sold El Paso 111,560,762 MCF, for a daily average delivery of 29,712 MCF during the period.

Q Was that 111,000,000 or 41,000,000, Mr. Bynum?

A Thank you. It is 41,000,000. 41,560,762.

Q Now these volumes of gas that you have just mentioned, did they all come from wells which Southern Union had drilled itself or



had covered with gas purchase contracts?

A That is correct.

Q What was the purpose of drilling those wells or making those gas purchase contracts from the standpoint of Southern Union Gas Company?

A Primarily to serve its own utility markets. Every MCF of gas that Southern Union delivers to El Paso means just that much gas being diverted from reserves that we built up in the first instance for the benefit of our own customers. Whatever we sell to El Paso Natural goes off to interstate commerce and is lost to our own customers here in New Mexico.

Q Is that to say that you think prorationing is tending to strip New Mexico of volumes of gas that ought to be saved for its own consumers?

A No, I certainly would not want to go that far, particularly since El Paso has been most cooperative in this situation. Even though the balance of gas at this time is flowing from our company to theirs, we do have contractual arrangements with them which, when and if we need it in the years ahead, will assure us of considerable volumes of gas over and above those available from the wells currently connected to our lines.

Q Now, these 93 wells that were listed on pages 7 through 12 of Exhibit 2, is any relief now being asked for those wells?

A No, none is being asked for them. Generally speaking, it is our thought that it would be better to let the accumulated under-

production be cancelled as of July 31, 1957, in the normal manner. If this isn't done now, it merely means that the same thing will have to be done sometime later on, and the volumes of gas then involved will naturally be greater. And the greater the amount of underproduction that is cancelled at any particular time, the more severe the disruptive effect is sure to be on the owners of the rest of the wells in the field or pool.

Q If special circumstances were shown by any other party to this proceeding with regard to any of these wells, that would tend to indicate that because of rework operations or otherwise, some particular well or wells would be physically capable of making up its back underproduction, would Southern Union have any objection to treating that well like the other 110 wells that we are asking relief for?

A Certainly not. We do not want to be arbitrary or unfair to anyone in this. Any well that can make up its back underproduction ought to be given a fair chance to make it up.

Q Are you speaking now about possible future reworks or reworks that have taken place up to now or are definitely scheduled at this time?

A I would say only reworks up to this time, either completed or currently in progress, or at least definitely scheduled.

Q Now in conclusion, are the new arrangements that Southern Union has made with El Paso certain of letting Southern Union produce all the wells on its lines adequately in the future?

A No, I do not think so. I don't think that we can say that for certain. We have already seen the situation in the San Juan Basin change from year to year in the past and it more than likely will continue to do so from time to time hereafter. All I can say is that the arrangements we have made with El Paso for inter-connecting our gathering facilities in the field are intended to take care of our problems as best we can now see them, and that our company, at least, is going to continue to exert every effort to make prorationing work and work properly in this state.

Q Is the relief asked for in this case calculated to help make prorationing work properly, in your opinion?

A Yes, it is. Certainly, that relief is in keeping with the basic spirit of prorationing, that each well owner is to be given a fair chance to produce his fair share of the total market demand.

Q Suppose the suggestion were to be made that, instead of cancelling now all the back underproduction for these 93 wells, that we just generally suspend the cancellation of either underproduction or the shutin of wells for overproduction, and then go at this thing on a well by well basis, reclassifying such wells as need to be classified as marginal as we go along, would you have, would Southern Union have any serious objection to that kind of an approach as an alternative to what you have already mentioned?

A No, we will be entirely agreeable to such procedure.

MR. GRENIER: That concludes our direct presentation.

MR. PORTER: Anyone have any questions of Mr. Bynum? Mr. Utz.

CROSS EXAMINATION

By MR. UTZ:

Q Can you give me the producing capacity of your Southern Union gathering system as it exists now, which is shown in red on your map?

A We believe between 15 and 20 million feet of gas a day.

Q Between 15 and 20 million a day total capacity?

A You talking -- oh, in the red?

Q Yes.

A 70,000,000 a day.

Q 70,000,000 a day?

A I would like to qualify that a little bit, Mr. Utz. You talking about wellhead production, or are you talking about delivery capacity?

Q I'm talking about delivery capacity at the metering point of the total system.

A We have a delivery capacity through our pipeline at the present time of about 70,000,000 feet of gas a day.

Q The wells are capable then of producing that much, you think?

A Yes, they are.

Q And you have sold a maximum amount -- well, your average for the first six months of this year has been 60 or 70 million?

A Yes, that is correct.

Q Do you have such a contract that will enable you to sell your 70,000,000 from this system?

30

A Yes.

Q This 57,000,000 is the total daily average that you have sold from this gathering system, is that right, total sales?

A Yes.

MR. GRENIER: That was to El Paso Natural only. That was not to El Paso Natural and Southern Union combined?

A No, that was just to El Paso Natural.

Q Can you tell me how much you have sold from this system?

A At the present time, I can't. I don't have those figures available.

Q What I'm trying to get at is how much excess producing capacity does your Southern Union gathering system now have, if any?

A I believe 75,000,000 would be the maximum we could deliver out of that line.

Q How would that figure compare with your allowables for the system?

A It would exceed the allowables.

Q Do you have any idea how much?

A I had the figure, I don't recall it at the present time definitely. It seems to me it's about a billion MCF on an annual basis, a billion, about a billion on an annual basis.

Q At any rate, you have some excess producing capacity in your Southern Union gathering system as it now stands?

A Yes.

Q That is the gas, the producing capacity which you intend

to make up this underage with partially, is that right?

A Partially.

Q In addition to that, your Grandell system, you are going to have to depend on excess producing capacity to further produce your underage?

A That is correct.

Q Now do you think that the excess producing capacity of these two systems will enable you to clear up your underage between now and January the 31st?

A No, I don't believe it will, for the simple reason that we can't get the gas out fast enough to overcome it.

Q Do you have an idea how long it will take?

A Our knowledge is based on eight months; that was from some tabulations that was made two months ago, which was nine months from April.

Q You feel it would take you eight months to take care of the underage which you now have?

A Entirely. I base that on this fact, that the longer we wait, the longer it takes. The longer we wait to start, the longer it will take to catch up.

Q If you start today --

A (Interrupting) If we started today, it would take us somewhere in the neighborhood of eight months.

Q You will not be able to start overproducing your Grandell system until you get FPC approval?

A That is correct.

Q You anticipate possibly being able to start in September?

A That is just a possibility.

MR. GRENIER: It is certainly a sincere hope, Mr. Utz, on our part.

Q Then you would only have about four months left in which to produce that underage?

A Yes.

Q As far as you know, how long do you think that it would take to get your Clausen system into operation?

A It is in operation now.

Q I mean with FPC approval, so that you can overproduce it and sell your gas from it to another source.

A Well, that is what this thing is predicated on. We are hoping to have Federal Power Commission approval within the next couple of months, maybe, or less.

Q FPC on the Delhi system?

A Yes.

Q So that you would have more than three months on that system in which to overproduce it?

A That is correct.

Q It looks very doubtful that you will be able to take care of your underage between now and January 31st, doesn't it?

A All of it, yes.

MR. GRENIER: If I may make a clarifying statement there,

Mr. Utz, it has been our general view on these things that they ought to be looked at periodically to see what the situation is and give the Commission and its staff a chance to re-review the matter. We do feel that by January 31st we will have begun to have made very significant progress, although we will not have gotten the situation completely cleaned up. Any way to solve this thing, if the Commission so desires, would be to put it off for two balancing periods. I thought it would be to the best interest of all concerned to come back in and look at it at the end of the current balancing period and see where we are at that time. We would be entirely agreeable to a deferment of a year, but we would hesitate to ask that in the face of any opposition or doubt on the part of the Commission or its staff. Does it help you to understand what we are trying to accomplish?

MR. UTZ: Yes, I understand what you are trying to accomplish. I'm trying to understand how long it's going to take you.

A I would like to clarify something, Mr. Utz, that the gas presently coming from our Crandell system, we have had to squeeze that into our markets in the Albuquerque, Santa Fe, and Farmington areas, see. Now as soon as we can get clearance to deliver that gas to El Paso, then the underage that has accumulated in other fields will pick up that amount and equalize those at the same time we are equalizing up there. All of the gas can be produced to make up the underages, see, that Crandell area is also in the Blanco Mesaverde pool, but we don't have any outlet for the gas



at the present time, it is considerably underproduced. Now as soon as we get clearance, then we will produce that up there at capacity, which it has never done before. It may produce more than 20,000,000 a day. We hope it will. If it does, we can catch up sooner.

Q Mr. Bynum, I believe you said that you were agreeable, if the Commission so desired, to postpone the cancellation until January the 31st. You would be agreeable to non-cancellation on all underage wells?

A Would you run that by again, please?

Q You set out here certain wells with underage in which you are asking for non-cancellation. In addition to that, there are a number of other wells which also have underage. Those wells aside from the wells that are listed here, are you agreeable to non-cancellation on those wells also?

A Entirely agreeable.

Q How about overage wells? Would you be agreeable to allowing that balance to go on?

A We are agreeable to that. We have not asked for it in our application, but we would support the idea for those who desire it.

Q Would you be agreeable to allowing overage wells to produce more than six times the current monthly allowable?

A That has not been our practice to produce, to overproduce them over six months' allowable ourselves. We have one situation in that category right now, but that is being remedied as of this

week.

Q You would rather see that they were produced, overproduced less than six times, I take it?

A Generally speaking, yes.

MR. UTZ: That is all I have.

MR. PORTER: Mr. Campbell.

MR. CAMPBELL: Jack Campbell, Roswell, New Mexico. I would like to ask a question or two on behalf of Texas Pacific Coal and Oil Company, which is not involved in this particular area but which is involved in gas prorationing in southeastern New Mexico.

By MR. CAMPBELL:

Q You may have stated this, but I didn't get it if you did. Under your contract with El Paso Natural Gas Company, to which you referred, what is the volume of gas that you are to deliver to them?

A 40,000,000 feet of gas a day.

Q That's in all the areas that you referred to in the San Juan?

A No, that is in the system in red, in here where we are presently connected to their system.

Q Do you have the figures that will be involved in the other areas in the San Juan Basin?

A That is the only point we deliver to El Paso at the present time.

Q That would be all of the maximum amount of gas a day that you would deliver to them?

A No, not the maximum, that is what our contract calls for, but not limited there.

Q You can deliver to them any amount you want to sell and they want to buy?

A As long as it is up to the amount of the allowables, yes.

Q What is the length of the term of that contract?

A I'm sorry, I don't recall it.

MR. GRENIER: That is a contract which provides specific demand charges, which is what Mr. Bynum was referring to, of 40,000,000 a day for this year and 30,000,000 next and 20,000,000 the year after that; then contemplate an indefinite term, although specified demand charges have been provided after that time. Generally speaking, the volume of gas contemplated by that contract is such as may be delivered but not to exceed 200 wells connected to the gathering facilities of Southern Union Gathering Company and El Paso agrees to take sufficient volume of gas from those 200 wells that they will be taken from ratably in all the Blanco Mesaverde wells or wells in comparable pools connected to El Paso lines.

MR. CAMPBELL: That contract has been submitted for approval to the FPC?

MR. GRENIER: This was the 1953, the amended contract has been submitted to FPC and accepted for filing as a change of rate schedule.

MR. CAMPBELL: Then I take it that the original contracts

have been submitted to the FPC?

MR. GRENIER: Yes, they are. That was done under the grandfather clause.

MR. PORTER: Mr. Davis.

By MR. DAVIS:

Q Looking at your Exhibit No. 2, Mr. Bynum, particularly the doubtful well list, pages 7 and 8 --

A Pages 6, 7, and 8, yes.

Q -- on that schedule that you have listed these wells which you stated a few minutes ago that it was doubtful they would be able to make up the underage that is now accumulated to them; in arriving at that, did you determine them on the basis of the additional market that may be forthcoming as a result of your arrangements with El Paso?

A Indirectly, but this was determined primarily on the basis of production in allowables for the past six months.

Q So that with this additional market that we hope that is here, it is possible that several of these wells could make up at least a part of their production during the next six months?

A It is entirely possible that some of the wells might be able to make up some of their allowables.

MR. GRENIER: May I ask one or two questions on redirect?

MR. PORTER: Surely.

REDIRECT EXAMINATION

By MR. GRENIER:

Q Mr. Bynum, have the operators of these various wells that are affected by this proceeding, that is to say, both the 110 that relief is specifically asked for and the other 93 as to which no relief is asked, have they been notified by Southern Union of this proceeding and the manner in which their wells are to be affected possibly?

A They were originally notified early in June, at which time we had anticipated a hearing in July. Then I understand that the hearing that we are now in was set up till August and they were notified of the change in dates of the hearing from July.

Q So that all of the operators have been notified of what is going on and might happen to them?

A That is correct.

MR. PORTER: Are there any more questions of the witness?  
You may be excused.

(Witness excused.)

MR. PORTER: We will take a short recess.

(Recess.)

MR. PORTER: The meeting will come to order, please. Mr. Woodward, would you proceed with your witness?

MR. WOODWARD: John Woodward, representing El Paso Natural Gas Company. I would like to make a brief preliminary statement before we commence the presentation of Mr. Woodruff as our witness.

El Paso does not support or oppose the action sought by Southern Union in Case 1295. However, we are purchasing gas under gas purchase contracts with producers in all of the gas pools involved in this case or in these consolidated cases and will be affected by any order suspending cancellation of underage in this area. It is our position that if cancellation of underage is suspended as to any wells in a pool, it should be suspended as to all underproduction in the pool. Furthermore, if pool underages are not cancelled and redistributed, thereby reducing overproduction, the makeup of such overproduction should also be suspended in order to permit pool withdrawals equal to current market demand.

Our witness will be Mr. Norman Woodruff.

(Witness sworn.)

NORMAN WOODRUFF

the witness, of lawful age, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

By MR. WOODWARD:

Q Will you state your name, please?

A F. Norman Woodruff.

Q Where do you live?

A El Paso.

Q By whom are you employed, and in what capacity?

A I'm employed by El Paso Natural Gas Company as the manager of gas proration operations.

Q Have you previously testified before this Commission as an expert in such matters?

A Yes, I have.

MR. WOODWARD: Are the witness's qualifications accepted?

MR. PORTER: Yes, sir.

Q For the purposes of the record, Mr. Woodruff, is it true that El Paso Natural Gas Company and Southern Union Gas Company are separate unaffiliated companies whose only relationship is that of seller and purchaser under written contracts?

A Yes, sir, that's true.

Q Is it also true that El Paso Natural Gas Company as a purchaser purchases from producers at the wellhead at the tailgate of processing plants, and from their sellers of gasoline or natural gas?

A That is correct.

Q This contract with Southern Union represents one of many supply contracts to El Paso, is that correct?

A That is correct.

Q Mr. Woodruff, what is El Paso's interest in the gas pools involved in these cases?

A In each of the pools involved in this hearing, El Paso is a purchaser of gas from wells owned by others, and also is a producer of gas in these pools.

Q Are you familiar with the allowable status of wells from which El Paso purchases or takes gas?

A Yes, I am.

Q What is that status in general?

A El Paso has both underproduced wells and overproduced wells connected to their system in all of the pools which are involved in this hearing.

Q Are some of these underproduced wells capable of making up their underproduction which is now subject to cancellation?

A Yes, they are.

Q Have you an opinion concerning the effect of these wells of suspending cancellation of underproduction as to other wells in the same pool?

A Yes, I do. I consider that the cancellation of underage on one group of wells would be discriminatory against other wells in similar circumstances in the same pool, and could tend to cause drainage between the properties that have the exemptions and the ones that do not.

Q Do you have any recommendation as to how such prejudice might be avoided?

A I think the prejudice could be avoided by giving the same exemption to all of the underproduced wells in each of the pools.

Q Are there some underproduced wells in these pools that cannot make up their underproduction?

A Yes, there are.

Q Is there any reason to suspend cancellation of their underproduction?



A No, sir.

Q Do you have any recommendation as to the procedure by which the underproduction of such wells should be cancelled?

A Yes, I do have recommendations. I might say first that if exemption is granted to all underproduced wells and likewise exemption given to overproduced wells so that they don't have to close in until the time that underproduction is cancelled, well, there will be a -- sorry, I lost my train of thought.

Q Have you any recommendation with respect to wells that cannot make up underproduction during this six months' grace period?

A What I started to say was that those underproduced wells, there will not be discrimination if you do not cancel the underproduction for those wells that can't make it now, if you also give exemption to overproduced wells by doing it current with the occurrence of being aware that the wells can not make their allowables will enable the operators in the pools to keep the wells in balance and much more closely, particularly the overproduced wells, because the accumulated underproduction to those wells that can't make it will be redistributed to the other pools or to the other wells in the pool, and those overproduced wells will be less overproduced. The operator of such well will know better what he can and can't do in producing the allowables for those wells. Now, it would be my recommendation that the Commission, as information becomes available to them, classify those wells that can produce their allowables as marginal wells in accordance with

the rules that we have in existence at this time.

Q So classified that their underproduction be cancelled and redistributed?

A That is correct.

Q By doing it on a current basis, you prevent their accumulating further underproduction, and tend to relieve the impact of the cancellation of the underproduction at the end of the grace period?

A That is correct.

Q Do you have an opinion as to the effect of cancelling all underproduction?

A If the cancellation of underage is not concurrent with the shutting in of overproduced wells, discrimination could occur for over produced wells and the market demand permitted to be currently supplied out of each of the pools could be curtailed below that of the permitted production in the form of allowables would be curtailed below the market demand which was apparent for those pools. I will explain that in this manner: The rules as they now exist require that underproduction be cancelled simultaneously with the reallocation of gas to all other wells in the pool, including the overproduced wells. This reallocated gas then will cancel the portion of the overproduction existing for the overproduced wells, and in so doing, the balance of the field remains in balance. The overproduction will be equal to the underproduction. If you just give exemption to the underproduced wells and permit

them to continue to accumulate underproduction and require the overproduced wells to shut in, the overproduced wells are required to decrease their takes of current allowable, because of previous allowables that they would have been entitled to, but were denied by the exception granted to the underproduced wells.

Q What is your recommendation, Mr. Woodruff, concerning the makeup of overproduction during the period during which the cancellation of underage is suspended?

A I would recommend that if exception be given to underproduced wells that exception to the balancing period should also be given to the overproduced wells.

Q Now that is as to the time of makeup, does your recommendation go to the amount of overproduction?

A Would you restate that again for me?

Q You say you would suspend the rules as to the time in which overproduction is to be made up; that is the extent of your recommendation, is it not?

A That is correct.

MR. WOODWARD: Those are all the questions we have on direct examination.

MR. PORTER: Mr. Woodruff, do you have any idea, would you attempt to estimate the length of the period that might be necessary for this suspension to remain in effect to actually accomplish what we're seeking here?

A Mr. Porter, it would vary on different wells. Some of the

wells could produce a portion of their accumulated overproduction, say in six months. Some may take a year, two years. I couldn't say a definite length of time. I don't think an exception to March 1st, 1958, will permit all the underproduction to be made up, but it will permit a sizeable portion to be made up.

MR. PORTER: In any event, the relief would not start until the FPC acts?

A That is correct.

MR. PORTER: Does anyone else have a question of the witness?

A That is the relief for Southern Union Gas Company's wells, subject to their application.

MR. PORTER: Yes. Mr. Campbell.

CROSS EXAMINATION

By MR. CAMPBELL:

Q You are acquainted with the system of allocating gas production in both southeast and northwest New Mexico, are you not?

A Yes, sir.

Q Is the system applied in the northwest identical to that in the southeast, as far as calculation of allowable is concerned?

A No, they differ.

Q In what respect?

A In the northeast portion of the state, in each of the pools the total demand is divided into two parts. 75% of the total demand is divided among the wells with relationship to their acreage and deliverable product varies to the total delivery; the other 25%

divided on an acreage basis. In fact, only all the gas is distributed among the wells on a straight acreage basis.

Q With the exception of that in the actual computation of allowables and computation of net allowables and so on, is it handled the same way?

A Yes.

Q One set factor is determined?

A Yes, sir.

Q Has there ever been any balancing period at the end of six months in the prorated gas pools in the San Juan area?

A Yes.

Q Is this the first occasion for request for cancellation in this area?

A You say request for cancellation, or request for exception?

Q Exception to cancellation.

A To my knowledge, yes.

Q Is the degree of in-balance in the northwest area as great or not as it is in the southeastern area in your judgment; which area are we in the worst shape in?

A It's hard to say, Mr. Campbell. I believe that we're in worse condition in the San Juan now because of the conditions which Mr. Bynum expressed there.

Q Mr. Woodruff, you may not want to answer this question, but I want to give you an opportunity if you want to. Mr. Porter asked you how long it would take to accomplish what everybody had been

trying to accomplish ever since 1954 in gas prorationing; that is, to accomplish a balance of underproducers so long as there is more than one purchaser in the area. Do you think that will ever be accomplished?

A Not in perfection.

Q Well, about the only way it could be accomplished would be for El Paso Natural to get all the gas, wouldn't it?

A Yes, sir.

MR. CAMPBELL: That's all.

MR. PORTER: Does anyone else have a question?

By MR. GRENIER:

Q Do you recall, Mr. Bynum's testimony that the total amount of gas that was involved in these 110 wells specifically listed in Southern Union's application now being capable of making up their back underproduction represented about two days' total production for the area as a whole?

A Yes, sir.

Q In the six pools?

A Yes, sir, I recall that.

Q Would you regard that as a very serious imbalance at this time, looking at the totality of the situation and bearing in mind that does not represent anything at all for the wells that might be on the line of your company or Pacific Northwest?

A Mr. Grenier, I think you have -- you're looking at it in a general manner which you can't look at it in if you are to determine

discrimination. You must look at it on an individual well basis. If you have wells that have a large volume of underproduction offsetting wells of ours with the same condition, and our wells are not given exceptions and yours are, then that is where the discrimination arises. The quantity on an overall basis may not be important; the effect on individual wells may.

Q What you are saying, then, is that to individual operators this is a problem of serious magnitude, or may be, whereas looking at the fields as a whole, the total picture may be pretty close to this perfect balance which you said we could never achieve, is that correct?

A That's correct.

MR. PORTER: Any further questions of the witness? Mr. Utz.  
By MR. UTZ:

Q Mr. Woodruff, in regard to the overproduced wells, how much overproduction do you think those wells should carry for the extension of the inception of cancellation?

A I have no recommendation, Mr. Utz, that the present rules of the Commission permitting six months be changed.

Q You don't think they should overproduce more than six times the current allowable?

A I can't see any need or justification for it.

MR. UTZ: That's all I have.

MR. PORTER: Do you have a question, Mr. Cooley?

MR. COOLEY: Just one question, please.

By MR. COWLEY:

Q Mr. Woodruff, do you feel that the amount of underproduction that will be added to the already underproduced wells in these six prorated gas pools as a result of reclassification of certain wells as marginal wells will aggravate the situation to any great degree?

A No, sir, I don't think so.

Q But you do feel that it will prevent a problem as far as the overproduced wells are concerned?

A Yes, it will be an aid to the overproduced wells because it will decrease their overage; the overproduced will still be more overproduced.

Q It would increase their overproduction?

A That is correct.

MR. PORTER: Your recommendation is that the Commission continue to follow the procedure of reclassifying marginal wells at any time we see fit?

A That is correct.

MR. PORTER: Whenever the evidence indicates that they should be reclassified?

A Yes, sir, that is correct.

MR. PORTER: Anyone else have a question? Mr. Utz.

By MR. UTZ:

Q Just a little further with Mr. Porter's question, and in accordance with the present rules?

A Yes, sir, I would make one suggestion that the rule doesn't



cover, I don't think they can cover everything, the of such time that the Commission makes a determination from their records that a well is incapable of producing its allowable based on its past history, I would recommend that prior to making a classification of marginal, that the Commission advise the operators involved of their findings and give them a reasonable length of time either to concur or show proof that the classification would be erroneous. In that manner, I think you will prevent some confusion that might result from classifying a well that was marginal and then having proof shown that it was erroneous.

Q How much time would you suggest that we give the operators to respond?

A Ten to twenty days.

Q You realize, of course, that would entail a considerable amount of paper work?

A Yes, sir, it would.

MR. UTZ: That's all.

MR. PORTER: I believe the rule already covers that point, although it doesn't set out any specific time, isn't that right?

MR. UTZ: I didn't hear you.

MR. PORTER: I believe the rule already covers that point of giving notice and giving the operator an opportunity to object to the reclassification of his well, although no specific time is set out.

MR. UTZ: I didn't understand the rule that we had to

54  
notify them. The way I understand the rule is that if at the end of the period there had been no objection, we were at liberty to classify it any way we saw fit.

MR. PORTER: Well, anyway, the rule will stand as it is. Does anyone else have a question of this witness? The witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone have a statement to make in this case?

MR. DUGAN: Tom Dugan with Pacific Northwest Pipeline Corporation. Pacific has both underproduced and overproduced wells connected to its system; therefore, we would like to support El Paso's proposal in this case.

MR. PORTER: Mr. Grenier.

MR. GRENIER: May I inquire of Mr. Dugan if he would care to support Southern Union's request and recommendation in this case, or just the El Paso part? It seems to me they are all part and parcel of the same thing. El Paso's recommendations have no basis unless they are put on top of our own.

MR. DUGAN: Well, as I understand the question, I believe that would be correct.

MR. GRENIER: May I make a very brief statement in conclusion here. I think when Mr. Woodruff was asked about the situation as between Lea County and Northwestern New Mexico, he was undoubtedly giving an answer at the present time, but certainly a little

over a year ago when we had a similar suspension of the Lea County rules, the situation was much more serious than it is in this situation. It does strike me that these underproduced wells and their operators and owners of working interest in them have a very legitimate and proper concern in this matter, even though not all of them have come here to speak. This is a situation over which they individually have had no control whatever, and although the companies involved are doing everything that they properly may, trying to work along with this situation and provide everybody in these areas a proper market, I think it is apparent that we just can't keep up in our contractual arrangements and delivery arrangements with the march of events. It seems to me that it is certainly in keeping with the basic spirit of proration that everyone whose well can make its allowable should be allowed to do so, and in that way produce its fair share of the reserves and the recoverable reserves in the pool.

MR. PORTER: Any further comment?

MR. DAVIS: Quilman Davis, representing Aztec Oil and Gas Company. Aztec would like to go on record in support of El Paso's applications, Southern Union's application, and Mr. Grenier's statement that he made a minute ago. We would like to add this: In the event the Commission finds it advisable to only give an extension to these wells that Southern Union has listed in Exhibit 2, we ask the Commission to consider adding to the list the Aztec McClanahan 2, the Reed No. 3 in the Aztec-Pictured Cliffs Pool; the Griener 3;

the Hilstrom 1; the Hubbard 1; the Randleman 1; and the Florence Federal 1-13, appearing over under the Delhi classification to that list. We can't assure the Commission that these wells will make up all the underproduction now attributable to them; we feel like they would make up some. As to the doubtful list, we would like to have those wells removed, in the event certain wells are removed from the proration.

MR. PORTER: Anyone else?

MR. KELLEY: C. L. Kelley, Pan-American Petroleum Corporation. We operate wells in practically all the pools under consideration, and we want to support both Southern Union and El Paso, and we feel that there should be a provision for non-cancellation of all the wells in the pools, and not just those listed.

MR. PORTER: Mr. Woodward.

MR. WOODWARD: We would like to make our position clear. We are not as nice as you folks like to make us out. We are not making an application for relief. We are simply saying that if relief is granted, there are certain consequences that follow. In our opinion, this is Southern Union's application and we are not opposing it, we are not asking for the relief, but we are pointing out certain features that we think should be adopted to make such relief workable. So far as the recommendation concerning the reclassification of these wells as marginal, I think we are not talking so much about a formal rule change as a policy of administration in perhaps exercising extra diligence in getting

the proper classification for those wells with all deliberate speed. We realize it can run into some additional paper work, but I think if it avoids some unnecessary hearings it will be well worth the Commission's time.

MR. PORTER: Any further comments in the case? We will take the case under advisement.

\* \* \* \* \*

C E R T I F I C A T E

STATE OF NEW MEXICO     )  
                                  : ss  
COUNTY OF BERNALILLO    )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this *22<sup>nd</sup>* day of August, 1957,  
in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
Notary Public

My commission expires:  
June 19, 1959.

UNITED STATES OF AMERICA  
FEDERAL POWER COMMISSION

In the Matters of:

Southern Union Gathering Company  
Southern Union Gas Company  
Aztec Oil & Gas Company, Operator  
Pubco Petroleum Corporation, Operator  
Gas Producers Corporation, Operator  
Beaver Lodge Oil Corporation, Operator

Docket Nos.

G-13101  
G-13102  
G-13103  
G-13104  
G-13105  
G-13106

NOTICE OF APPLICATIONS AND DATE OF HEARING

(November 19, 1957)

Take notice that on August 21, 1957, Southern Union Gathering Company (Gathering Company) filed in Docket No. G-13101 an application pursuant to Section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the proposed sale of natural gas produced from wells located in the Blanco-Mesa Verde and the Aztec-Pictured Cliffs Fields, San Juan County, New Mexico, to El Paso Natural Gas Company (El Paso) for transportation in interstate commerce for resale, pursuant to a supplemental agreement dated July 25, 1957, to a basic sales contract dated August 31, 1953, executed by and between Gathering Company and El Paso, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

All of the gas involved in the above application is presently being sold in intrastate commerce to Gathering Company which is presently selling said gas to Southern Union Gas Company (Gas Company) for resale wholly within the State of New Mexico. Gathering Company's proposal herein is designed to divert gas now being sold by Gas Company in a relatively low market demand area, to El Paso's lines which are requiring over-production from their present sources of supply.

On August 21, 1957, the following listed producer applications were filed to cover each producer's sales to Gathering Company as contemplated in the application in Docket No. G-13101:

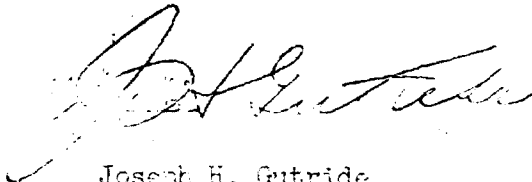
Docket No.	Applicant	Basic Contract Date
G-13102	Southern Union Gas Company	September 27, 1954 July 25, 1957
G-13103	Aztec Oil & Gas Company	December 12, 1953
G-13104	Pubco Petroleum Corporation	March 30, 1951
G-13105	Gas Producers Corporation	June 16, 1953
G-13106	Beaver Lodge Oil Corporation	March 20, 1953 August 1, 1957

All of the above Applicants have signatory seller status to their respective sales contracts with Gathering Company. Each producer is filing as Operator and shows in its application the working interest ownership percentages by wells. In Docket No. G-13105, Gas Producers Corporation is the Operator and 100 percent owner. Producer sales are made at the wellhead and facilities consist of customary lease equipment. All of these applications are on file with the Commission and open to public inspection.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by Sections 7 and 15 of the Natural Gas Act, and the Commission's Rules of Practice and Procedure, a hearing will be held on December 19, 1957, at 9:30 a.m. (EST), in a hearing room of the Federal Power Commission, 441 G Street, N. W., Washington, D. C., concerning the matters involved in and the issues presented by such applications: Provided, however, that the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of Section 1.30 (c) (1) or (c) (2) of the Commission's Rules of Practice and Procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the Rules of Practice and Procedure (18 CFR 1.8 or 1.10) on or before December 9, 1957. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

  
Joseph H. Gutride  
Secretary



OIL CONSERVATION COMMISSION  
P. O. BOX 37,  
SANTA FE, NEW MEXICO

September 10, 1957

Mr. John Woodward  
El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas

Dear Sir:

We enclose a copy of Order R-1044 issued September 9, 1957,  
by the Oil Conservation Commission in Consolidated Cases 1295 and  
1296, which were heard on August 15th.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

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Y

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

September 10, 1957

C  
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Y

Mr. A. S. Grenier  
Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Dear Sir:

We enclose a copy of Order R-1044 issued September 9, 1957,  
by the Oil Conservation Commission in Consolidated Cases 1295 and  
1296, which were heard on August 15th.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

sp  
Encl.

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:

Consolidated (CASE NO. 1295  
(CASE NO. 1296  
Order No. R-1044

APPLICATION OF SOUTHERN UNION  
GAS COMPANY AND SOUTHERN UNION  
GATHERING COMPANY FOR THE  
SUSPENSION FOR A PERIOD OF NOT  
LESS THAN SIX MONTHS OF THE  
CANCELLATION OF UNDERPRODUCTION  
IN THE SIX PRORATED GAS POOLS  
IN SAN JUAN AND RIO ARriba  
COUNTIES, NEW MEXICO.

APPLICATION OF THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO UPON ITS  
OWN MOTION FOR THE SUSPENSION FOR A  
PERIOD OF NOT LESS THAN SIX MONTHS  
OF THE OVERAGE SHUT-IN PROVISIONS  
OF THE SPECIAL RULES AND REGULATIONS  
FOR THE SIX PRORATED GAS POOLS IN SAN  
JUAN AND RIO ARriba COUNTIES, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
August 15, 1957, at Santa Fe, New Mexico, before the Oil Conserva-  
tion Commission of New Mexico, hereinafter referred to as the "Com-  
mission."

NOW, on this 9<sup>th</sup> day of September, 1957, the Commission,  
a quorum being present, having considered the testimony and evidence  
adduced, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Commission has jurisdiction of this case and the subject  
matter thereof.

(2) That Cases 1295 and 1296 were consolidated for  
purposes of hearing and order by agreement between all the interest-  
ed parties therein.

(3) That there are a great number of wells to which  
Southern Union Gas Company and Southern Union Gathering Company  
are connected in the Aztec-Pictured Cliffs, Fulcher Kutz-Pictured  
Cliffs, West Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs,

-2-

Case No. 1295

Case No. 1296

Order No. R-1044

Ballard-Pictured Cliffs, and the Blanco Mesaverde Gas Pools in San Juan and Rio Arriba Counties, New Mexico, which wells have accumulated large volumes of gas which have remained unproduced and are subject to cancellation as of August 1, 1957.

(4) That the accumulation of underproduction has been due to the rapid increase in the number of gas wells on acreage under contract to Southern Union Gas Company and Southern Union Gathering Company and the increased demand for gas by the other pipelines in the affected pools.

(5) That Southern Union Gas Company and Southern Union Gathering Company have made application to the Federal Power Commission for authority to sell large volumes of gas to another pipeline in the area which authority, if granted, will enable Southern Union Gas Company and Southern Union Gathering Company to produce all or a large portion of the accumulated underproduction which is presently subject to cancellation.

(6) That unless the cancellation of underproduction is suspended the affected operators will be denied the opportunity to produce their fair share of the gas reserves in the aforementioned prorated gas pools.

(7) That all other operators in said gas pool should have the same opportunity to produce their accumulated underproduction which is subject to cancellation August 1, 1957.

(8) That the overage shut-in provisions of the Special Rules and Regulations for each of the above-named prorated gas pools, should also be suspended in order to enable the affected gas transporters to supply the market demand for gas from said pools; provided however, that any well which is overproduced an amount equalling six times its monthly allowable should be shut in during that month and each succeeding month until the well is overproduced less than six times its current monthly allowable.

(9) That the period of suspension should terminate January 31, 1958.

IT IS THEREFORE ORDERED:

(1) That the provisions of Rules 6 and 7 of Order R-128-D and Rules 11 and 12 of Orders R-565-C, R-566-D and R-846, be and the same are hereby suspended for a period of six months, commencing August 1, 1957, and ending January 31, 1958; provided however, that any well which is overproduced an amount equalling six times its monthly allowable shall be shut in during that month and each succeeding month until the well is overproduced less than six times its current monthly allowable.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary



DOCKET: REGULAR HEARING AUGUST 15, 1957

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for September, 1957.
- (2) Consideration of the allowable production of gas for September, 1957, from the seven prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from the six prorated pools in San Juan and Rio Arriba Counties, New Mexico, for September, 1957.

NEW CASES

- CASE 977: In the matter of the hearing ordered to be held by Paragraph 3 of Order R-794-A, Case 977, to permit Southern Union Gas Company and other interested parties to show cause why 320-acre spacing should be continued in the Tapacito-Pictured Cliffs Gas Pool.
- CASE 1291: Application of Tidewater Oil Company for approval of an oil-oil dual completion in an undesignated Drinkard Pool and an undesignated McKee Pool underlying Section 24, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing an oil-oil dual completion, by means of parallel strings of tubing, in an undesignated Drinkard Pool and an undesignated McKee Pool underlying Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, for its Coates "C" Well No. 8 located 660 feet from the North line and 1880 feet from the East line of said Section 24.
- CASE 1292: Application of John H. Trigg for an order authorizing a pilot program for the injection of gas into the Caprock-Queen Pool, Chaves County, New Mexico, for purposes of pressure maintenance, and further, authorizing the transfer of allowables for the injection well to other wells on the same basic lease, and further, to exempt certain of his wells from gas-oil ratio penalties. Applicant, in the above-styled cause, seeks an order authorizing the injection of gas into the Caprock-Queen Pool through his Federal Trigg No. 10-9 Well located in the NW/4 SE/4 of Section 9, Township 14 South, Range 31 East, Chaves County, New Mexico. Applicant further requests that the allowables assigned to the injection well be transferred to another well or wells on the same basic lease, and further, that during the period of the pilot program all wells in Section 9, which are on the same lease as the injection well, be exempt from gas-oil ratio penalties.
- CASE 1293: Application of Amerada Petroleum Corporation for an order amending the Special Rules and Regulations for the Justis Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order amending the Special Rules and Regulations for the Justis Gas Pool provided by Order R-586, as amended, to provide for 320-acre gas proration units in the Justis Gas Pool, Lea County, New Mexico.

CASE 1294: Application of Ambassador Oil Corporation, Cambridge Corporation and Gulf Oil Corporation for an order authorizing a pilot water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico, and further, authorizing the applicants to produce at capacity their wells located within and off-setting the pilot water flood program. Applicants, in the above-styled cause, seek an order authorizing the injection of water into the Queen formation of the Caprock-Queen Pool through six wells located in Sections 1 and 12, Township 13 South, Range 31 East, Chaves County, New Mexico, and further, authorizing capacity production from ten wells located within and offsetting the pilot water flood area located in Sections 1, 11, and 12, Township 13 South, Range 31 East, and Section 6, Township 13 South, Range 32 East, in Chaves and Lea Counties, New Mexico.

CASE 1295: Application of Southern Union Gas Company and Southern Union Gathering Company for the suspension for a period of not less than six months of the cancellation of underproduction in the six prorated gas pools in San Juan and Rio Arriba Counties, New Mexico. Applicants, in the above-styled cause, seek an order extending until a date not earlier than January 31, 1958, the date upon which accumulated underproduction accrued to certain of their connections as of January 31, 1957, will be cancelled for non-production under the provisions of the Special Rules and Regulations for the Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, West Kutz-Pictured Cliffs, and Blanco Mesaverde Gas Pools in San Juan and Rio Arriba Counties, New Mexico. Applicants further request similar relief for any and all wells of other producers in the same pools if the facts and circumstances are such as to make similar relief necessary.

CASE 1296: Application of the Oil Conservation Commission of New Mexico upon its own motion for the suspension for a period of not less than six months of the overage shut-in provisions of the Special Rules and Regulations for the six prorated gas pools in San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order suspending until a date not earlier than January 31, 1958, the overage shut-in provisions of Special Rules and Regulations for the Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, West Kutz-Pictured Cliffs, and Blanco Mesaverde Gas Pools in San Juan and Rio Arriba Counties, New Mexico.

CASE 1297: Southeastern New Mexico Nomenclature case calling for an order creating new pools and extending and deleting certain areas from existing pools in Lea, Roosevelt and Eddy Counties, New Mexico.

(a) Create a new oil pool for Paddock production, designated as the Grayburg-Paddock Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST  
Section 13: SE/4

*Case 1295*

SOUTHERN UNION GAS COMPANY

BURT BUILDING  
DALLAS 1, TEXAS

LEGAL DEPARTMENT

WILLIS L. LEA, JR.  
GENERAL ATTORNEY

July 19, 1957

A. S. GRENIER  
MILLARD F. CARR  
JACK HERTZ  
WM. S. JAMESON  
JAS. R. WETHERBEE

Mr. Jack Cooley  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Cooley:

This is merely to confirm the advice I gave you by telephone earlier this week, that despite any other or more general hearing which may be called by the Commission on its own motion with respect to underproduction and/or overproduction in the San Juan Basin area, we would still like to see included on the August hearing docket as a separate item the application filed with the Commission by Southern Union Gas Company and Southern Union Gathering Company on or about June 27, 1957, as amended on or about July 8, 1957.

Assuming that the Commission goes ahead as you indicated and institutes a separate proceeding on its own motion, we would of course expect to have our application consolidated with it for hearing and the two disposed of together in a single consolidated order.

We much appreciate your frank discussion with us of this situation, as well as all the cooperation you have given us to date.

Sincerely yours,

*A. S. Grenier*

ASC:ek

*Case 1095*

**SOUTHERN UNION GAS COMPANY**  
BURT BUILDING  
DALLAS 1, TEXAS

N. P. CHESNUTT  
CHIEF ENGINEER

July 8, 1957

*7-10-57*

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

c/o Mr. Elvis Utz

Gentlemen:

In accordance with your telephone request of July 3, we have prepared an amendment to our application concerning the cancellation of underproduction as of the end of the current proration period in the San Juan Basin. Three copies of this amendment are attached hereto.

As discussed with you today by phone, if you have any questions concerning this matter or need any additional information, I would appreciate your so advising.

Yours truly,



NPC:rm  
Att.



BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SOUTHERN )  
UNION GAS COMPANY AND SOUTHERN UNION GATHER- )  
ING COMPANY FOR AN ORDER TEMPORARILY SUSPEND- )  
ING THE CANCELLATION FOR UNDERPRODUCTION OF )  
THE ACCUMULATED UNPRODUCED ALLOWABLES OF )  
CERTAIN WELLS IN THE AZTEC-PICTURED CLIFFS )  
BALLARD-PICTURED CLIFFS, FULCHER KUTZ-PICTURED )  
CLIFFS, SOUTH BLANCO-PICTURED CLIFFS, WEST )  
KUTZ-PICTURED CLIFFS AND BLANCO-MESAVERDE )  
GAS POOLS, SAN JUAN AND RIO ARriba COUNTIES, )  
NEW MEXICO )

CASE NO. \_\_\_\_\_

AMENDMENT TO APPLICATION

Southern Union Gas Company and Southern Union Gathering Company recently filed their original Application in this proceeding with the Commission. By this amendment Applicants wish to amend the final two paragraphs of said Application constituting the prayer, so as to read as follows:

"WHEREFORE, Applicants request that the Commission, after such hearing and upon such notice as it may prescribe, enter its order or orders with respect to each and all of the gas wells listed in Exhibits A and B hereto extending to a date not earlier than January 31, 1958, the date upon which accumulated underproduction existing as of January 31, 1957, will be cancelled for continued non-production. Applicants also request that the Commission give consideration to the granting of similar relief, after such notice and hearing as it may prescribe, with respect to any and all wells of other producers in the same fields or areas of production if the facts and circumstances are such as to make similar relief necessary or appropriate under the statutes and the Commission's rules and regulations.

"As to the gas wells listed in Exhibits F and G hereto, it appears that they are presently incapable of making up their accumulated underproduction; however, if any of the same are shown at the hearing to be capable of making up any material portion of accumulated underproduction, it will be Applicants' purpose to include them among the wells listed on Exhibit A or Exhibit B for which relief is hereby requested."

It is understood by the Applicants that the Commission will not be able to reach this matter at the July hearing. Request is made accordingly that this Application be heard at the regular August hearing of the Commission.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

By J. C. Reil  
Vice President

A T T E S T :

J. V. McCreary  
Secretary

SOUTHERN UNION GATHERING COMPANY

By J. C. Reil  
Vice President

A T T E S T :

J. V. McCreary  
Secretary

il  
nrc

STATE OF TEXAS )  
COUNTY OF DALLAS )

On this day personally appeared before me J. C. Reid,  
Vice President of SOUTHERN UNION GAS COMPANY, well known to me to be such  
person and officer and, being by me duly sworn, stated that as such offi-  
cer he executed the foregoing application on behalf of said corporation,  
that he has read said application and that, to the best of his knowledge,  
information and belief, all statements of fact therein contained are true  
and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office  
this 8th day of July, 1957.

My Commission Expires:

June 1, 1959

Faye Griffin  
Notary Public in and for  
Dallas County, Texas

STATE OF TEXAS )  
COUNTY OF DALLAS )

On this day personally appeared before me J. C. Reid,  
Vice President of SOUTHERN UNION GATHERING COMPANY, well known to me to be  
such person and officer and, being by me duly sworn, stated that as such  
officer he executed the foregoing application on behalf of said corpora-  
tion, that he has read said application and that, to the best of his know-  
ledge, information and belief, all statements of fact therein contained  
are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office  
this 8th day of July, 1957.

My Commission Expires:

June 1, 1959

Faye Griffin  
Notary Public in and for  
Dallas County, Texas

LEGAL DEPARTMENT

WILLIS L. LEA, JR.  
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY  
BURT BUILDING  
DALLAS 1, TEXAS

A. S. GRENIER  
MILLARD F. CARR  
JACK HERTZ  
WM. S. JAMESON  
JAS. R. WETHERBEE

June 27, 1957

*July 1*

AIR MAIL

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Forwarded herewith for filing with the Commission are three copies of an application by Southern Union Gas Company and Southern Union Gathering Company requesting an order of the Commission suspending from July 31, 1957, for a period of not less than six months the date upon which there will be cancelled for underproduction the accumulated underproduced allowables of 83 wells in the prorated gas pools of north-western New Mexico. A list of the wells for which such suspension of cancellation is requested appears in Exhibits A and B attached to each copy of the application.

We are hopeful that this matter can be heard by the Commission at its regular monthly hearing date on July 17, 1957. Please let us know promptly as to whether or not this will be possible, since we would like to give the operators of the affected wells as much advance notice as we can of the date of the hearing.

Very truly yours,

SOUTHERN UNION GAS COMPANY

*A. S. Grenier*

A. S. Grenier, Attorney

ASG:FG

Enc.

BEFORE THE  
OIL AND GAS COMMISSION  
SANTA FE, NEW MEXICO  
SUG EXHIBIT No. 2  
CASE 1292

S U M M A R Y  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED BY SOUTHERN UNION GAS COMPANY AND  
SOUTHERN UNION GATHERING COMPANY

No Wells

SOUTHERN UNION GAS COMPANY	STATUS JAN. 31, 1957	FEBRUARY			MARCH			APRIL			MAY			JUNE			CUMULATIVE STATUS JUNE 30, 1957 UNDER
		ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	
3 AZTEC P. O. POOL	43,629	35,832	22,398	33,440	40,722	38,737	33,584	34,710	25,596	33,425	34,616	37,485	28,959	29,150	25,537	28,999	68,756
2 BACARD P. O. POOL	5,217	12,388	10,139	6,217	19,519	2,452	6,217	12,790	3,320	6,217	5,574	9,729	2,066	5,540	-0-	2,066	36,492
16 BLANCO MESA VERDE POOL	469,978	187,650	125,116	469,978	133,556	155,712	442,326	132,231	174,838	402,177	132,305	168,775	365,707	176,214	133,567	363,395	476,906
44 FITCHER RUTZ P. O. POOL	205,796	81,993	98,964	194,143	118,581	103,804	178,667	78,175	92,176	154,016	78,347	111,702	127,849	96,921	75,375	118,524	180,522
13 SOUTH BLANCO P. O. POOL	94,807	42,742	39,703	92,040	52,776	43,456	89,994	43,414	32,595	89,363	27,205	42,247	72,666	42,796	47,323	63,232	100,669
4 WEST CITY P. O. POOL	9,404	18,689	13,235	9,404	18,598	15,975	9,377	17,036	14,585	9,347	10,835	14,745	5,177	12,151	10,527	5,177	15,646
82 TOTAL SOUTHERN UNION GAS CO.	829,831	378,894	309,555	800,222	383,952	360,198	760,265	319,358	347,210	694,185	288,116	374,683	596,424	362,775	292,329	581,353	878,991
28 SOUTHERN UNION GATHERING CO. BLANCO MESA VERDE POOL	1,082,133	650,979	517,655	1,077,253	467,181	608,294	923,777	462,253	601,441	791,351	462,537	622,613	599,554	623,088	684,924	486,727	707,521
110 TOTAL ALL WELLS (WITH CO'S.)	1,911,964	1,029,873	827,210	1,877,475	851,133	968,492	1,684,042	780,611	948,651	1,485,536	750,651	997,296	1,195,978	985,863	977,253	1,068,080	1,586,512

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED

EXHIBIT  
SHEET 1 of 4

FOR UNDERPRODUCTION IS REQUESTED																				SHEET 1 of 4
		FEBRUARY			MARCH			APRIL			MAY			JUNE			CUMULATIVE STATUS JUNE 30, 1997 UNDER			
STATUS JAN. 31, 1997		ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION				
<b>AZTEC P. C.</b>																				
<b>AZTEC OIL &amp; GAS COMPANY</b>																				
Hampton #1		25,358	18,623	-0-	25,358	21,161	15,151	25,358	19,035	11,404	25,358	17,959	20,969	24,348	15,121	14,104	22,348	54,629		
Hampton #2		9,541	11,480	16,112	4,909	13,046	17,802	153	11,120	8,478	11,088	9,491	153	9,337	7,153	153	6,976			
<b>SOUTHERN UNION GAS CO.</b>																				
Zachry #1		8,730	5,729	6,286	8,173	6,515	5,834	8,173	5,555	5,814	7,914	5,599	7,025	6,458	4,692	4,280	6,458	7,551		
<b>TOTAL AZTEC P. C.</b>		<b>43,629</b>	<b>35,832</b>	<b>22,398</b>	<b>38,440</b>	<b>40,722</b>	<b>38,787</b>	<b>33,684</b>	<b>34,710</b>	<b>25,695</b>	<b>33,425</b>	<b>34,616</b>	<b>37,485</b>	<b>28,995</b>	<b>28,150</b>	<b>25,537</b>	<b>28,999</b>	<b>7,551</b>		
<b>BILLARD P. C.</b>																				
<b>SOUTHERN UNION GAS CO.</b>																				
Newcom 2-A		3,427	6,221	5,333	3,427	9,252	1,309	3,427	6,423	1,348	3,427	2,201	5,008	1,220	2,783	-0-	1,220	18,509		
Newcom 2-B		2,790	5,167	4,806	2,790	9,767	1,143	2,790	6,167	1,972	2,790	2,777	4,721	345	2,777	-0-	846	17,983		
<b>TOTAL BILLARD P. C.</b>		<b>6,217</b>	<b>12,388</b>	<b>10,139</b>	<b>6,217</b>	<b>19,019</b>	<b>2,452</b>	<b>6,217</b>	<b>12,590</b>	<b>3,320</b>	<b>6,217</b>	<b>4,978</b>	<b>9,729</b>	<b>1,565</b>	<b>5,560</b>	<b>-0-</b>	<b>2,066</b>	<b>36,492</b>		
<b>BLANCO MESA VERDE</b>																				
<b>AZTEC OIL &amp; GAS CO.</b>																				
Crandall #1		6,258	13,218	9,239	6,258	9,403	9,735	5,926	9,308	10,530	4,704	9,314	11,388	2,530	12,403	8,015	2,630	12,997		
Culpepper Martin #1		27,125	10,569	2,065	27,125	7,526	10,614	24,037	7,453	10,486	21,004	7,457	9,416	19,045	9,933	7,512	19,045	27,970		
Davis #1		27,089	8,325	5,905	27,089	5,935	7,620	24,004	5,879	8,102	23,181	5,882	8,127	20,936	7,337	6,517	20,936	24,696		
Dasher #1		24,946	10,322	6,423	24,946	7,350	8,106	24,230	7,278	8,363	23,145	7,292	9,822	20,605	9,700	6,121	20,605	28,081		
Dasher #2		23,030	11,996	10,726	23,030	8,577	11,164	21,303	8,453	12,768	16,882	8,457	12,027	13,418	11,264	11,076	13,418	12,876		
Greiner #5		247,515	26,791	26,360	247,515	19,019	20,430	237,105	18,917	34,539	221,383	18,929	30,154	200,958	25,063	27,375	207,546	207,977		
Primo Nader #1		6,515	11,736	9,202	6,515	8,232	10,604	4,253	8,269	11,837	695	8,274	10,139	204	11,020	8,292	204	9,466		
Richardson #2		23,319	13,314	5,471	23,319	4,519	13,322	23,319	3,376	10,064	22,631	3,381	7,125	10,766	6,998	5,495	10,766	41,272		
Richardson #4		14,010	7,427	6,921	14,010	5,208	5,326	13,322	5,249	5,991	12,640	5,251	7,125	10,766	6,998	5,495	10,766	12,755		
Rumie #1-X		5,245	11,914	8,199	5,245	8,479	7,790	4,769	8,395	8,329	4,955	8,420	8,492	4,863	11,187	8,555	4,863	11,186		
Turner #1		4,717	10,894	2,634	4,717	7,361	10,457	7,930	7,289	7,193	4,717	7,297	9,320	2,724	9,715	6,543	3,604	15,798		
Vanderlic #1		11,026	10,335	4,397	11,026	6,875	7,406	10,812	6,898	8,121	5,505	6,812	8,863	7,454	9,075	6,090	7,454	11,844		
<b>GAS CONTAINERS, INC.</b>																				
Horton #1		12,512	10,335	9,010	12,512	7,361	8,490	11,381	7,289	9,187	9,483	7,294	8,903	7,273	9,715	6,711	7,873	12,202		
Horton #2		12,532	10,802	5,232	12,532	7,615	7,515	12,532	7,615	7,940	12,208	7,620	9,081	10,747	10,150	8,263	10,747	20,381		
Horton #4		11,949	10,033	7,077	11,949	7,147	7,972	11,024	7,078	8,515	9,587	7,082	7,962	9,177	9,434	9,387	9,107	15,630		
<b>TOTAL BLANCO MESA VERDE</b>		<b>469,978</b>	<b>187,690</b>	<b>125,116</b>	<b>469,978</b>	<b>137,556</b>	<b>155,712</b>	<b>442,326</b>	<b>132,231</b>	<b>171,838</b>	<b>402,177</b>	<b>132,305</b>	<b>168,775</b>	<b>365,707</b>	<b>176,214</b>	<b>137,567</b>	<b>363,395</b>	<b>476,906</b>		

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
STATEMENT OF REVENUE FROM LEASES OF MINERAL RIGHTS  
FOR THE MONTH OF FEBRUARY, 1957

STATUS JAN. 31, 1957	FEBRUARY			MARCH			APRIL			MAY			JUNE			CUMULATIVE STATUS JUNE 30, 1957 UNDER
	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	
ANNE'S OIL CO.																
Anne's Peak 12-B	5,408	1,763	2,900	4,552	2,564	1,533	3,533	1,707	1,420	1,750	1,422	961	2,094	2,588	399	399
Anne's Peak 12-B	1,528	1,767	1,553	1,528	2,564	2,515	1,548	1,707	4,277	953	1,422	958	2,094	1,077	556	2,301
Anne's Peak 12-B	9,259	4,065	2,873	9,047	1,004	1,370	7,483	1,711	1,542	5,362	1,984	2,510	2,453	2,090	5,138	5,498
Anne's Peak 14-B	3,150	2,147	2,158	3,047	1,124	2,082	1,627	2,131	2,137	2,330	2,074	2,441	2,551	1,327	2,653	4,919
Anne's Peak 15-B	10,244	2,193	2,319	10,118	1,191	4,802	8,505	2,125	4,193	6,477	2,108	4,774	4,475	3,652	3,427	3,427
Anne's Peak 16-B	4,208	2,010	2,056	4,162	2,924	2,398	4,162	1,707	2,152	3,825	1,931	2,153	3,121	2,388	1,579	4,468
ARCO OIL & GAS CO.																
Arco 3	11,403	2,796	1,930	13,393	4,072	2,396	13,393	2,711	3,213	12,801	2,499	1,100	12,442	3,325	1,092	16,776
Cooper 2	2,203	1,289	1,628	1,944	1,272	1,515	1,944	1,117	1,427	1,764	1,237	1,777	1,764	1,529	689	3,721
Connell 7	7,203	2,248	1,730	7,203	3,271	1,169	7,203	3,178	3,506	5,375	2,140	1,972	5,063	2,671	3,008	5,376
Cozzens 1	3,163	1,459	2,211	2,211	1,764	2,411	1,417	2,119	2,119	1,704	1,471	2,000	1,706	1,732	1,842	1,343
Hanks 1	7,227	2,017	3,045	1,033	2,938	2,826	1,033	1,956	1,956	1,033	1,743	668	1,933	2,399	-0-	5,422
Hubbell 1	4,544	2,613	4,046	5,135	3,805	3,583	5,135	2,534	4,328	3,341	2,513	1,843	1,066	3,107	2,667	1,568
Hubbell 2	2,062	2,751	3,078	1,735	4,705	1,564	4,735	2,667	1,513	1,735	2,465	1,476	1,735	3,271	1,232	8,808
Lacey-Hubbell 1	5,552	1,708	2,504	4,756	2,484	2,492	4,756	1,554	2,307	4,395	1,641	1,746	2,990	2,028	2,375	2,639
Rushes 1	4,527	1,955	2,337	4,245	2,844	2,997	4,245	2,324	2,324	1,936	1,879	1,107	2,527	2,323	1,685	3,432
Stiller 1	2,977	2,120	1,216	1,841	3,084	2,056	1,841	2,451	2,451	1,936	1,879	1,107	2,527	2,323	1,685	3,432
Wachon 2	2,925	1,930	4,256	7,190	5,725	4,915	7,190	3,173	5,173	3,373	4,792	2,723	5,578	4,677	2,459	5,378
Wachon 1	2,285	1,662	2,154	1,543	2,417	1,213	1,593	1,121	1,543	1,543	1,529	1,579	1,974	2,355	230	1,671
Wachon 3	1,507	1,196	1,322	3,381	1,277	1,159	3,381	1,157	2,246	1,272	1,147	993	1,974	2,355	230	1,671
Wachon 4	11,470	2,511	1,923	10,027	7,556	4,154	10,027	2,416	2,793	9,171	2,414	1,444	7,927	2,985	2,247	5,114
Wachon 5-A	4,245	1,287	2,277	1,255	1,270	4,133	2,255	1,270	2,255	1,270	2,255	1,270	2,255	1,270	1,270	8,666
Wachon 7-A	2,274	1,098	1,160	2,173	1,537	1,152	2,173	1,023	904	2,173	1,115	1,393	1,906	1,255	748	2,905
Field 2	4,284	1,992	1,549	4,886	2,398	1,572	4,886	1,930	2,396	3,420	1,924	1,794	3,820	2,366	2,036	6,059
CONGRESS OIL COMPANY																
Garland 1-B	6,401	1,662	2,271	5,792	2,417	2,117	5,792	1,610	2,514	4,228	1,577	1,977	4,548	1,974	1,574	5,148
DELE-TAYLOR OIL CORP.																
Dele 1	2,319	2,156	2,072	2,339	3,138	3,451	1,996	2,073	2,474	1,410	2,372	1,550	135	2,562	2,238	135
Dele 3	1,227	1,090	1,301	976	1,523	1,042	976	1,042	1,194	850	1,006	1,117	717	1,244	1,132	1,304
Dele 7	1,231	1,077	1,375	932	1,563	1,341	932	1,041	1,077	932	1,077	1,505	767	1,276	1,154	829

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED

EXHIBIT  
SHEET 3 OF 4

WELLS (cont.)	STATUS JAN. 31, 1957	FEBRUARY			MARCH			APRIL			MAY			JUNE			CUMULATIVE STATUS JUNE 30, 1957 WELLS
		ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	
<b>EL PASO NATURAL GAS CO.</b>																	
Harraves 1	2,965	1,452	1,985	2,432	2,110	1,776	2,432	1,405	1,469	2,368	1,394	2,373	1,389	1,723	1,696	1,389	1,790
Johnson 1	2,232	1,199	799	2,232	1,683	900	2,232	1,121	869	2,232	1,112	1,604	1,740	1,377	1,291	1,740	3,361
E. C. Deep Test 1	4,566	1,105	1,771	4,300	1,503	1,181	4,300	1,068	678	3,726	1,059	1,293	3,432	1,309	861	3,432	4,362
Turner-Fussell 1	4,078	1,214	1,998	1,694	1,763	1,244	1,694	1,174	1,124	3,594	1,165	1,835	3,024	1,440	1,051	3,024	4,087
Turner Deep Test 1	3,687	1,187	1,633	3,281	1,743	1,434	3,241	1,143	1,177	3,212	1,138	1,928	2,522	1,407	1,237	2,522	2,981
<b>KING OIL COMPANY</b>																	
Kata Govt. 6	11,673	3,299	5,792	9,180	4,896	5,109	8,777	3,260	4,122	7,955	3,174	3,695	7,434	3,925	3,026	7,434	8,333
Kata Govt. 10	2,430	1,415	2,344	1,901	2,077	2,092	1,466	1,370	1,631	1,205	1,399	251	1,205	1,680	357	1,205	3,636
<b>WYOMING L. MADDOX</b>																	
Maple 1	2,242	1,907	1,766	2,023	2,180	1,613	2,023	1,499	2,341	941	1,447	1,658	730	1,789	1,893	626	1,203
<b>WYOMING OIL COMPANY</b>																	
Pickin 1	462	1,425	1,413	462	2,070	1,274	462	1,379	1,010	462	1,367	1,634	195	1,690	1,436	195	1,606
<b>SOUTHERN S. &amp; H. HARRARD</b>																	
Corroll-Corroll 1	4,389	1,743	2,144	3,990	2,537	1,987	3,990	1,690	2,108	3,572	1,676	54	3,572	2,072	56	3,572	7,760
<b>THE AMERICAN PETROLEUM CORP.</b>																	
Day 2C	1,809	1,686	1,655	1,780	2,364	2,336	1,780	1,574	1,781	1,573	1,561	2,399	535	1,930	1,992	535	601
Phase 1A	4,872	3,007	4,344	3,035	4,379	4,232	3,035	2,916	3,482	2,469	2,892	5,331	30	3,976	2,686	30	1,073
Harrave 1B	4,969	1,489	2,201	4,297	2,164	2,992	3,829	1,441	1,835	3,435	1,429	2,785	2,079	1,757	2,154	1,692	1,692
E. C. Pump Test 1C	2,761	1,090	1,122	2,689	1,323	1,367	2,689	1,014	1,308	2,397	1,006	1,637	1,766	1,244	1,497	1,513	1,669
<b>SHAW OIL COMPANY</b>																	
Summit 4	10,072	3,610	2,806	10,072	5,299	4,360	10,072	3,502	4,748	8,826	3,473	3,885	9,414	4,295	1,648	8,414	12,764
<b>TEXAS STATES NATURAL GAS CO.</b>																	
Davidson 1B	5,055	1,562	1,286	5,055	2,271	1,813	5,055	1,512	3,204	3,363	1,500	3,039	1,824	1,854	3,321	397	1,091
Brazzav 1B	6,093	1,260	523	6,093	1,830	634	6,093	1,219	766	6,093	1,209	2,094	5,168	1,494	1,919	4,743	7,131
<b>TOTAL</b>	<b>205,736</b>	<b>81,992</b>	<b>98,964</b>	<b>184,143</b>	<b>118,691</b>	<b>101,904</b>	<b>178,567</b>	<b>78,175</b>	<b>99,176</b>	<b>154,016</b>	<b>78,347</b>	<b>101,702</b>	<b>123,349</b>	<b>96,921</b>	<b>75,374</b>	<b>118,524</b>	<b>180,522</b>

**SP. EL PASO P.C. FIVE**

**WYOMING OIL COMPANY**  
Hicksville 2-1  
Hicksville 27-3

4,963	2,396	2,541	4,963	3,204	1,803	4,963	2,637	338	4,963	(1,403)	1,335	3,962	2,604	729	3,962	9,592
7,160	2,137	-0-	7,160	2,867	-0-	7,160	2,360	-0-	7,160	1,737	-0-	7,160	2,332	-0-	7,160	18,598

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UNION PACIFIC GAS COMPANY  
 SUMMARY OF WELLS FOR WHICH DEFAYMENT OF CANCELLATION OF ALLOWABLES  
 IS BEING REQUESTED

EXHIBIT  
 SHEET 4 OF 4

NO. PLANT P.C. FIELD (cont.)	FEBRUARY			MARCH			APRIL			MAY			JUNE			CUMULATIVE STATE JUNE 30, 1957 WELLS	
	STAYS JAN. 31, 1957	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION		BALANCE SUBJECT TO CANCELLATION
LOUISIANA OPERATING ACCT.																	
Dowell PC-83	6,447	3,398	4,100	5,735	4,164	3,412	5,735	3,428	1,360	5,735	2,257	3,041	4,941	3,378	4,976	3,343	6,361
Dowell PC-85	9,704	2,992	1,143	9,704	2,957	1,143	9,704	2,434	1,352	9,704	1,667	2,122	9,186	2,406	2,023	9,126	13,522
Dowell PC-87	5,203	2,488	2,503	5,098	3,075	3,074	5,098	4,570	4,441	5,098	1,567	2,479	4,275	2,500	2,449	4,276	4,729
Dowell PC-125	13,552	3,178	13,552	5,990	3,174	13,552	4,544	3,706	13,552	3,192	4,205	12,539	4,769	5,274	12,034	17,633	
Dowell PC-129	5,824	2,038	2,440	5,824	2,286	2,286	5,824	2,778	1,361	5,824	1,962	3,581	4,263	2,939	3,641	3,961	6,410
Dowell PC-131	10,955	3,666	4,010	10,011	4,499	3,117	10,011	3,642	2,531	10,011	2,133	4,358	7,576	3,640	4,213	6,903	7,280
Dowell PC-177	2,180	2,563	2,029	2,180	2,742	3,156	2,180	2,605	2,155	2,180	1,714	2,635	1,110	2,573	2,234	1,110	2,325
Dowell PC-179	2,410	4,428	4,394	7,842	6,423	4,075	7,842	4,260	3,409	7,842	2,190	4,599	5,530	4,373	6,238	3,665	4,716
Dowell PC-239	11,313	5,117	4,881	11,313	6,251	7,325	10,240	5,144	4,350	10,240	3,399	5,685	6,944	5,062	7,503	4,503	5,524
Dowell PC-277	5,553	3,891	3,409	5,915	4,761	4,520	5,915	3,715	4,440	5,915	2,571	4,719	3,893	3,899	4,917	2,325	3,266
ROBERT E. WYATT																	
Scott L-8	1,463	2,349	2,968	2,844	2,906	3,227	2,523	2,392	2,329	2,084	1,576	2,366	1,295	2,364	2,956	704	714
TOTAL LOUISIANA P.C. FIELDS	94,807	42,742	39,703	92,040	52,776	43,458	89,394	43,416	30,535	89,263	27,305	42,247	72,666	42,799	47,323	63,232	100,669
WEST VIRGINIA P.C. FIELDS																	
UNION DEVELOPMENT CO.																	
Blair #3	2,640	5,441	4,435	3,640	5,413	4,090	3,640	4,965	4,761	3,640	3,149	3,701	3,088	3,531	2,819	3,088	6,746
Blair #11	1,342	5,796	3,659	1,342	5,771	3,901	1,342	5,291	5,131	1,342	1,361	2,395	100	3,799	3,357	100	2,619
Blair #12	912	2,945	2,438	912	4,920	2,438	4,920	4,977	2,522	4,920	2,729	2,232	339	1,929	1,649	339	1,790
Wade #1	3,010	4,907	2,633	3,010	4,435	3,763	3,010	4,132	4,105	2,21	2,614	3,707	1,950	2,932	2,692	1,650	4,491
TOTAL WEST VIRGINIA	7,904	18,589	13,235	9,904	19,538	15,979	9,904	17,025	15,325	9,027	10,375	10,245	5,177	12,151	10,527	5,177	15,646

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STANDARD OIL COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERRED OR CANCELLATION OF ALLOWABLES  
FOR OTHERS CANNOT BE REQUESTED

WELL NAME	DATE	FEBRUARY		MARCH		APRIL		MAY		JUNE		CUMULATIVE STATUS JUNE 30, 1957 TOTAL	
		ALLOWABLE	PRODUCTION	ALLOWABLE	PRODUCTION	ALLOWABLE	PRODUCTION	ALLOWABLE	PRODUCTION	ALLOWABLE	PRODUCTION		
OTHER WELLS NOT IN STATE													
Florence Federal #1-1	47,661	47,778	51,874	52,771	42,774	53,493	25,729	34,376	45,542	14,913	45,774	56,586	5,701
Florence Federal #1-2	21,766	19,243	17,986	21,766	18,287	19,141	18,222	13,597	16,125	11,340	13,023	22,649	6,714
Florence Federal #1-3	9,773	7,574	4,783	9,773	5,412	4,305	5,423	3,445	5,167	4,213	7,147	4,221	8,231
Florence Federal #1-4	21,625	14,992	12,417	21,625	10,599	12,743	15,265	12,271	12,172	11,944	13,965	11,715	11,584
Florence Federal #1-5	22,773	27,999	24,122	22,773	14,375	26,381	15,267	21,964	22,538	30,393	19,676	25,773	21,136
Florence Federal #1-6	10,378	21,960	15,942	10,378	15,597	12,490	27,595	15,433	14,129	21,839	15,422	18,942	20,389
Florence Federal #1-7	14,296	12,724	7,277	14,296	5,053	12,770	11,293	8,462	11,772	5,479	8,367	11,942	13,764
Florence Federal #1-8	13,520	11,911	11,741	13,520	3,775	12,296	9,137	13,296	9,362	11,492	11,110	9,410	14,352
Florence Federal #1-9	9,341	9,127	5,756	9,341	4,773	5,251	2,424	2,712	2,066	4,913	6,058	7,649	8,524
Florence Federal #1-10	21,176	8,360	4,246	21,176	4,958	5,281	22,476	5,265	4,246	27,208	7,967	2,298	23,208
Florence Federal #1-11	12,793	12,155	12,155	12,793	9,422	11,152	9,422	9,422	9,422	13,170	12,425	12,425	3,322
Florence Federal #1-12	24,552	9,312	4,494	24,552	9,312	4,173	11,296	5,422	5,422	14,243	7,846	6,541	14,243
Florence Federal #1-13	101,147	46,023	65,948	101,147	27,459	45,791	42,455	26,347	26,347	26,347	26,347	26,347	26,347
State #1	12,197	12,215	15,753	12,197	11,552	12,483	18,197	17,013	14,194	12,517	13,578	17,997	13,598
State #2	44,202	15,463	12,193	44,202	10,968	12,737	22,422	11,984	21,479	10,372	16,217	14,503	33,431
State #3	55,876	49,094	46,111	55,876	14,320	19,433	51,207	24,422	22,787	24,422	24,422	24,422	24,422
State #4	20,569	11,077	7,568	20,569	7,400	7,400	25,519	7,517	7,517	25,019	9,369	25,919	30,321
J. F. Moore #5	24,116	27,420	39,703	24,116	40,741	24,244	24,116	24,116	24,116	24,116	24,116	24,116	24,116
State #6	20,416	20,053	24,116	20,416	14,245	19,433	24,116	14,245	14,245	14,245	14,245	14,245	14,245
State #7	250,535	111,699	75,996	250,535	34,080	141,744	139,177	81,190	131,633	151,033	81,305	155,099	110,709
State #8	7,893	11,250	7,893	7,893	7,893	7,893	7,893	7,893	7,893	7,893	7,893	7,893	7,893
State #9	9,542	8,030	5,024	9,542	5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024	5,024
Florence Fed. #1-14	10,631	14,165	3,621	10,631	10,631	10,631	10,631	10,631	10,631	10,631	10,631	10,631	10,631
State #10	9,713	9,713	1,169	9,713	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169	1,169
State #12	15,000	11,260	3,946	15,000	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946	3,946
STANDARD OIL GAS COMPANY													
State #1	12,046	12,245	6,826	12,046	3,232	3,130	12,046	4,328	12,774	7,458	9,333	16,424	28,367
State #2	16,106	10,747	5,631	16,106	7,555	10,943	12,071	7,555	7,555	12,399	7,555	10,812	16,973
State #3	29,428	19,200	17,952	29,428	12,237	17,777	21,522	12,777	12,777	22,722	12,706	21,582	22,299
TOTAL	1,082,133	650,979	517,655	1,077,293	467,131	508,292	923,777	462,033	611,441	771,951	462,537	622,617	599,354

RECAPS OF  
EXHIBIT \_\_\_\_\_

S U M M A R Y  
WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES FOR  
UNDERPRODUCTION WILL NOT BE REQUESTED BY SOUTHERN UNION GAS  
AND SOUTHERN UNION GATHERING COMPANY

		AMOUNT SUBJECT TO CANCELLATION AS OF <u>JUNE 30, 1957</u>
No. wells	<u>SOUTHERN UNION GAS COMPANY</u>	
5	AZTEC PICTURED CLIFFS POOL	29,350
24	BLANCO MESA VERDE POOL	383,460
24	FULCHER KUTZ PICTURED CLIFFS POOL	155,342
19	SOUTH BLANCO PICTURED CLIFFS POOL	133,346
5	WEST KUTZ PICTURED CLIFFS POOL	12,737
77	<u>TOTAL SOUTHERN UNION GAS COMPANY</u>	<u>714,235</u>
16	SOUTHERN UNION GATHERING COMPANY	888,031
93	<u>TOTAL BOTH COMPANIES</u>	<u>1,602,266</u>

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

AZTEC PICTURED CLIFFS POOL

AMOUNT SUBJECT  
TO CANCELLATION  
AS OF  
JUNE 30, 1957

AZTEC OIL & GAS COMPANY

McClanahan	#2	3,900
Reid	#3	6,811
Reid	#6	3,492

SOUTHERN UNION GAS COMPANY

Calloway	#1	10,611
Haynie	#1	4,536

TOTAL AZTEC PICTURED CLIFFS POOL

29,350

BALLARD PICTURED CLIFFS POOL

NONE

BLANCO MESA VERDE POOL

AZTEC OIL & GAS COMPANY

Bruington	#1	4,789
Cain	#3	12,988
Culpepper Martin	#1	20,660
Culpepper Martin	#3	12,556
Culpepper Martin	#5	17,200
Dalsant	#1	15,134
Davis	#3	13,300
Davis	#5	16,688
Davis	#6	10,171
East	#5	27,842
Grenier	#3	9,871
Harper	#1	12,679
Hillstrom	#1	18,263
Hubbard	#1	23,588
Page	#1	21,535
Page	#2	27,177
Pierce	#1	15,869
Pierce	#2	12,553
Randleman	#1	5,870
Vanderslice	#2	23,999

DEHLI-OIL CORPORATION

Hamner	#3	16,692
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SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

<u>BLANCO MESA VERDE POOL (Continued)</u>		AMOUNT SUBJECT TO CANCELLATION AS OF <u>JUNE 30, 1957</u>
<u>PUBCO DEVELOPMENT COMPANY</u>		
State	#1	12,744
<u>SOUTHERN UNION GAS COMPANY</u>		
Jicarilla	#1-F	14,768
Payne	#1	16,524
<u>TOTAL BLANCO MESA VERDE POOL</u>		<u>383,460</u>

FULCHER KUTZ PICTURED CLIFFS POOL

<u>ANGELS PEAK OIL COMPANY</u>		
Angels Peak	#8	4,888
Angels Peak	#18	6,071
<u>AZTEC OIL &amp; GAS COMPANY</u>		
Cooper	#1	13,679
Faverino	#1	2,757
Hanks	#2	4,200
Lackey-Hubbell	#2	14,603
A. D. Hudson	#1	2,999
Mangum	#3	4,420
Newman	#5-B	9,390
Walker	#2	3,777
<u>BROWN &amp; STEARNS</u>		
Brown	#1	26,321
<u>CONGRESS OIL COMPANY</u>		
Congress	#2	11,670
Congress	#3	2,971
Lachman	#2	3,845
<u>DEHLI-TAYLOR OIL COMPANY</u>		
Omler	#2	4,145
Omler	#5	2,908

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

FULCHER KUTZ PICTURED CLIFFS POOL (Continued)

AMOUNT SUBJECT  
TO CANCELLATION  
AS OF  
JUNE 30, 1957

EL PASO NATURAL GAS COMPANY

Galt	#1	3,472
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PAN-AMERICAN PETROLEUM CORP.

Davidson	#1	2,774
Galt	#1-G	5,576

SUMMIT OIL COMPANY

Summit	#1	5,572
Summit	#2	4,541
Summit	#3-B	3,454

TEXAS NATURAL PETROLEUM COMPANY

Lodewick	#3	3,746
Lodewick	#5	7,563

<u>TOTAL FULCHER KUTZ PICTURED CLIFFS POOL</u>	<u>155,342</u>
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SOUTH BLANCO PICTURED CLIFFS POOL

HUMBLE OIL COMPANY

Jicarilla	#3-J	11,733
Jicarilla	#4-J	12,015
Jicarilla	#6-J	4,377
Jicarilla	#8-J	10,152

LOWREY ET AL OPERATING ACCOUNT

McLee	#PC-49	7,556
McLee	#PC-87	4,888
Doswell	#PC-183	6,875
Doswell	#PC-185	4,545
Doswell	#PC-233	5,832
Doswell	#PC-235	6,407
McLee	#PC-281	9,128
State	#PC-295	5,123
Doswell	#PC-343	7,574
Lowrey	#PC-345	4,831
Kaine	#1	3,380

EXHIBIT \_\_\_\_\_

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

<u>SOUTH BLANCO PICTURED CLIFFS POOL (Continued)</u>		AMOUNT SUBJECT TO CANCELLATION AS OF <u>JUNE 30, 1957</u>
<u>ROBERT E. MEAD</u>		
Scott	#1-A	5,289
Scott	#1-C	3,233
Scott	#1-D	10,782
<u>SOUTHERN UNION GAS COMPANY</u>		
Jicarilla	#3-K	9,626
<u>TOTAL SOUTH BLANCO PICTURED CLIFFS POOL</u>		<u>133,346</u>
 <u>WEST KUTZ PICTURED CLIFFS POOL</u>		
<u>O. H. RANDEL</u>		
Tonkins	#1-X	2,723
Tonkins	#3	1,035
Tonkins	#4	1,731
<u>WESTERN DEVELOPMENT COMPANY</u>		
Edgar	#8	3,446
Mudge	#10-A	3,802
<u>TOTAL WEST KUTZ PICTURED CLIFFS POOL</u>		<u>12,737</u>
 <u>TOTAL SOUTHERN UNION GAS COMPANY</u>		<u>714,235</u>

EXHIBIT \_\_\_\_\_  
SHEET 1 of 1

SOUTHERN UNION GATHERING COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

SOUTHERN UNION GATHERING COMPANY  
BLANCO MESA VERDE POOL

DEHLI-TAYLOR OIL CORPORATION

AMOUNT SUBJECT  
TO CANCELLATION  
AS OF  
JUNE 30, 1957

Florance Fed. #1-13	16,555
Florance Fed. #28	217,771
Florance Fed. #2-45	20,625
Florance Fed. #3-42	24,913
Hammer #2	17,329
Helen Jackson #2	27,311
Catherine Moore #1	33,535
State #2	19,250
State #3	35,118

SOUTHERN UNION GAS COMPANY

Mims State #1	16,218
Quinn #2	53,253
Quinn #3	21,386
Quinn #5	14,302
Seymour #3	11,018
Seymour #5	32,365
Trigg #1	327,082

<u>TOTAL SOUTHERN UNION GATHERING COMPANY</u>	<u>888,031</u>
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RECAP OF  
EXHIBITS \_\_\_\_\_

S U M M A R Y

COMPARATIVE STATEMENT SOUTHERN UNION GAS & SOUTHERN UNION GATHERING CO.

PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLES FOR PERIOD

FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

No. Wells	<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
3	AZTEC PICTURED CLIFFS POOL	59,117	35,804	23,313
2	BALLARD PICTURED CLIFFS POOL	18,706	12,255	6,451
16	BLANCO MESA VERDE POOL	224,840	150,901	73,939
44	FULCHER KUTZ PICTURED CLIFFS POOL	173,274	113,625	59,649
13	SOUTH BLANCO PICTURED CLIFFS POOL	62,102	38,925	23,177
4	WEST KUTZ PICTURED CLIFFS POOL	25,136	14,772	10,364
82	<u>TOTAL SOUTHERN UNION GAS COMPANY</u>	<u>563,175</u>	<u>366,282</u>	<u>196,893</u>
22	SOUTHERN UNION GATHERING CO.	869,427	481,377	388,050
110	<u>TOTAL BOTH COMPANIES</u>	<u>1,432,602</u>	<u>847,659</u>	<u>584,943</u>

SOUTHERN UNION GAS COMPANY

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND OVERAGE ALLOWABLES

FOR PERIOD FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56- 6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56- 6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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AZTEC PICTURED CLIFFS POOL

AZTEC OIL & GAS COMPANY

HAMPTON	#1	27,108	16,373	10,735
HAMPTON	#2	22,599	11,471	11,128

SOUTHERN UNION GAS COMPANY

ZACHRY	#1	9,410	7,960	1,450
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<u>TOTAL AZTEC PICTURED CLIFFS POOL</u>	<u>59,117</u>	<u>35,804</u>	<u>23,313</u>
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BALLARD PICTURED CLIFFS POOL

SOUTHERN UNION GAS COMPANY

NEWSOM	#2-A	7,530	6,020	1,510
NEWSOM	#4-B	11,176	6,235	4,941

<u>TOTAL BALLARD PICTURED CLIFFS POOL</u>	<u>18,706</u>	<u>12,255</u>	<u>6,451</u>
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BLANCO MESA VERDE

AZTEC OIL & GAS COMPANY

CRANDELL	#1	12,883	10,803	2,080
CULPEPPER MARTIN	#4	11,689	6,526	5,163
DAVIS	#1	9,117	7,099	2,018
DAVIS	#2	9,822	5,411	4,411
DECKER	#2	18,176	10,205	7,971
DECKER	#3	51,287	31,458	19,829
GRENIER	#5	15,564	9,529	6,035
PRIMO MUDGE	#1	12,153	9,668	2,485
RICHARDSON	#2	7,125	4,455	2,670
RICHARDSON	#4	11,889	7,946	3,943
RUPLE	#1-X	9,724	7,269	2,455
TURNER	#1	11,158	7,897	3,261
VANDERSLICE	#1	10,436	8,346	2,090

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SOUTHERN UNION GAS COMPANY

EXHIBIT

PAGE 2 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND OVERAGE ALLOWABLES

FOR PERIOD FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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BLANCO MESA VERDE CONTINUED

GAS PRODUCERS INCORPORATED

HORTON	#1	11,274	8,523	2,751
HORTON	#2	10,408	7,868	2,540
HORTON	#4	12,135	7,898	4,237

<u>TOTAL BLANCO MESA VERDE</u>	<u>224,840</u>	<u>150,901</u>	<u>73,939</u>
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FULCHER KUTZ PICTURED CLIFFS POOL

ANGELS PEAK OIL COMPANY

ANGELS PEAK	#9-B	5,563	3,422	2,141
ANGELS PEAK	#12-B	3,804	2,403	1,401
ANGELS PEAK	#13-B	4,986	3,735	1,251
ANGELS PEAK	#14-B	3,743	2,894	849
ANGELS PEAK	#15-B	8,492	4,857	3,635
ANGELS PEAK	#16-B	6,465	3,147	3,318

AZTEC OIL & GAS COMPANY

AZTEC	#5	6,705	3,894	2,811
COOPER	#2	2,191	1,627	564
CORNELL	#7	4,190	2,968	1,222
COZZENS	#1	2,636	1,653	983
HANKS	#1	4,039	2,404	1,635
HUBBELL	#1	7,763	3,837	3,926
HUBBELL	#2	6,018	3,025	2,993
LACKEY-HUBBELL	#1	3,484	2,218	1,266
HUGHES	#1	3,870	2,946	924
KATTLER	#1	3,964	2,744	1,220
MANGUM	#2	7,892	5,518	2,374
McDANIEL	#1	3,192	2,179	1,013
McGRATH	#3	2,087	1,704	383
NEWMAN	#4	5,711	4,205	1,506
NEWMAN	#6A	2,767	1,889	878

SOUTHERN UNION GAS COMPANY

EXHIBIT  
SHEET 3 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND OVERAGE ALLOWABLE

FOR PERIOD FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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FULCHER KUTZ PICTURED CLIFFS POOL Continued

AZTEC OIL & GAS COMPANY CONTINUED

NEWMAN	#7A	1,533	1,201	332
REID	#2	3,770	2,758	1,002

CONGRESS OIL COMPANY

GARLAND	#1B	3,087	2,724	363
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DEHLI-TAYLOR OIL CORPORATION

COLE	#1	5,666	2,887	2,779
OMLER	#3	1,742	1,316	426
OMLER	#7	1,886	1,376	510

EL PASO NATURAL GAS COMPANY

HARGRAVES	#1	3,100	1,875	1,225
JOHNSON	#1	1,915	1,336	579
K.C. DEEP TEST	#1	2,091	1,493	598
TURNER-FEASEL	#1	2,087	1,733	354
TURNER-DEEP TEST	#1	2,156	1,721	435

KING OIL COMPANY

KUTZ GOVT.	#6	5,792	2,980	2,812
KUTZ GOVT.	#10	4,015	2,117	1,898

ROBERT L. MADDOX

HARGIS	#1	2,672	1,973	699
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POTASH COMPANY OF AMERICA

PIPKIN	#1	2,363	1,314	1,049
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SCOTT, SCOTT & SHEPHARD

CARROLL-CORNELL	#1	2,617	2,198	419
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PAN AMERICAN PETROLEUM CORPORATION

DAY	#2-C	3,853	2,042	1,811
FEASEL	#1-A	5,609	4,012	1,597
HARGRAVES	#1-B	2,785	1,988	797
K.C. DEEP TEST	#1-C	2,072	1,568	504

SOUTHERN UNION GAS COMPANY

EXHIBIT  
SHEET 4 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND OVERAGE ALLOWABLE

FOR PERIOD FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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FULCHER KUTZ PICTURED CLIFFS POOL Continued

SUMMIT OIL COMPANY

SUMMIT	#4	6,871	5,220	1,651
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THREE STATES NATURAL GAS COMPANY

DAVIDSON	#1B	3,388	2,381	1,007
HARGRAVES	#1C	2,642	2,133	509

<u>TOTAL FULCHER KUTZ PICTURED CLIFFS</u>	<u>173,274</u>	<u>133,625</u>	<u>59,649</u>
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SOUTH BLANCO PICTURED CLIFFS POOL

HUMBLE OIL COMPANY

JICARILLA	#5-J	4,778	3,027	1,751
JICARILLA	#7-J	(Shut in for interference test - 24 hr. deliverability 113 MCF)		

LOWRY ET AL OPER. ACC.

DOSWELL	#PC-83	5,233	3,147	2,086
DOSWELL	#PC-85	2,708	2,213	495
DOSWELL	#PC-87	3,275	2,333	942
DOSWELL	#PC-125	5,923	4,732	1,191
DOSWELL	#PC-129	4,340	2,708	1,632
DOSWELL	#PC-131	6,031	3,550	2,481
DOSWELL	#PC-177	3,451	2,200	1,251
DOSWELL	#PC-179	7,590	4,229	3,361
DOSWELL	#PC-239	9,004	4,935	4,069
DOSWELL	#PC-297	6,068	3,464	2,604

ROBERT E. MEAD

SCOTT	#1-B	3,701	2,387	1,314
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<u>TOTAL SOUTH BLANCO PICTURED CLIFFS POOL</u>	<u>62,102</u>	<u>38,925</u>	<u>23,177</u>
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SOUTHERN UNION GAS COMPANY

SHEET 5 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND OVERAGE ALLOWABLE

FOR PERIOD FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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WEST KUTZ PICTURED CLIFFS POOL

WESTERN DEVELOPMENT COMPANY

EDGAR	#9	7,528	4,161	3,367
EDGAR	#11	7,813	4,699	3,114
EDGAR	#12	4,130	2,279	1,851
MUDGE	#1	5,665	3,633	2,032

<u>TOTAL WEST KUTZ PICTURED CLIFFS POOL</u>	<u>25,136</u>	<u>14,772</u>	<u>10,364</u>
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<u>TOTAL BOTH COMPANIES</u>	<u>1,465,773</u>	<u>858,646</u>	<u>607,127</u>
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SOUTHERN UNION GATHERING COMPANY

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLES

FOR PERIOD FEBRUARY 1, 1956 THROUGH JUNE 30, 1957

<u>SOUTHERN UNION GATHERING COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-6/30/57</u>	<u>AVERAGE MONTHLY ALLOWABLE 2/1/56-6/30/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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BLANCO MESA VERDE

DEHLI-TAYLOR OIL CORPORATION

FLORANCE FEDERAL #1-6	73,097	38,260	34,837
FLORANCE FEDERAL #1-19	25,115	14,079	11,036
FLORANCE FEDERAL #1-25	6,810	6,410	400
FLORANCE FEDERAL #1-40	16,308	9,819	6,489
FLORANCE FEDERAL #31	42,320	20,223	22,097
FLORANCE FEDERAL #46	24,289	14,932	9,357
FLORANCE FEDERAL #2-9	14,540	8,939	5,601
FLORANCE FEDERAL #2-10	14,949	9,380	5,569
FLORANCE FEDERAL #2-14	20,131	13,267	6,864
FLORANCE FEDERAL #2-23	9,148	6,871	2,277
FLORANCE FEDERAL #2-27	8,119	5,927	2,192
FLORANCE FEDERAL #2-41	15,692	10,250	5,442
FLORANCE FEDERAL #2-44	7,378	5,140	1,238
FLORANCE FEDERAL #4-20	91,663	59,816	31,847
GIOMI #1	22,738	12,010	10,728
HOWELL #1	33,431	10,887	22,544
HOWELL #2	72,332	33,823	38,509
JANE MANSFIELD #1	10,530	8,008	2,522
K. F. MOORE #5	65,795	24,762	41,033
LINDA NYE #1	23,812	8,014	15,798
PRICHARD #1	32,464	13,809	18,655
PRICHARD #2	151,059	89,565	61,494
PRICHARD #1-3	11,415	8,848	2,567
STATE #1	7,257	7,037	220

PUBCO PETROLEUM CORPORATION

STATE #2	10,862	8,001	2,861
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SOUTHERN UNION GAS COMPANY

QUINN #1	19,646	9,031	10,615
SEYMOUR #1	13,377	8,850	4,527
SEYMOUR #7	25,150	14,419	10,731

<u>TOTAL BLANCO MESA VERDE</u>	<u>869,427</u>	<u>481,377</u>	<u>388,050</u>
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BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

100-100000

IN THE MATTER OF THE APPLICATION OF SOUTHERN )  
UNION GAS COMPANY AND SOUTHERN UNION GATHER- )  
ING COMPANY FOR AN ORDER TEMPORARILY SUSPEND- )  
ING THE CANCELLATION FOR UNDERPRODUCTION OF )  
THE ACCUMULATED UNPRODUCED ALLOWABLES OF )  
CERTAIN WELLS IN THE AZTEC-PICTURED CLIFFS, )  
BALLARD-PICTURED CLIFFS, FULCHER KUTZ-PICTURED )  
CLIFFS, SOUTH BLANCO-PICTURED CLIFFS, WEST )  
KUTZ-PICTURED CLIFFS AND BLANCO-MESAVERDE )  
GAS POOLS, SAN JUAN AND RIO ARriba COUNTIES, )  
NEW MEXICO )

CASE NO. 100000

APPLICATION

Come now Southern Union Gas Company and Southern Union Gathering Company (herein referred to respectively as "Gas Company" and "Gathering Company" and together as "Applicants"), each a Delaware corporation with its principal place of business in the Burt Building, Dallas, Texas, and hereby make application for an order of the Commission suspending from July 31, 1957, for a period of not less than six months the date upon which there will be cancelled for underproduction the accumulated unproduced allowables of certain gas wells, more fully hereinafter described, in the Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, South Blanco-Pictured Cliffs, West Kutz-Pictured Cliffs and Blanco-Mesaverde Gas Pools in San Juan and Rio Arriba Counties, New Mexico. In support of such application Applicants respectfully state and show the following:

1.

Gas Company is the owner and operator of a pipe line system by means of which it distributes and sells natural gas at retail in Albuquerque, Santa Fe, Espanola, Farmington, Aztec and other communities and areas in northwestern New Mexico. In order to obtain the gas necessary to render this service, Gas Company owns and operates extensive gathering facilities extending into all the gas pools in the San Juan Basin area which are subject to the prorationing orders issued to date by the



Commission. Additional gathering facilities in the Blanco-Mesaverde Gas Pool are also owned and operated by Gathering Company, a wholly-owned subsidiary of Gas Company. As of May 31, 1957, the number of gas wells connected to Applicants' northwestern New Mexico lines was as follows:

<u>Pool</u>	<u>No. of Wells</u>
Aztec-Pictured Cliffs	43
Ballard-Pictured Cliffs	31
Fulcher Kutz-Pictured Cliffs	184
South Blanco-Pictured Cliffs	52
West Kutz-Pictured Cliffs	43
Blanco-Mesaverde	177
Other Unprorated Northwestern New Mexico Pools	71
Total	601

2.

In addition to Applicants, two other companies, El Paso Natural Gas Company (herein called "El Paso"), and Pacific Northwest Pipeline Corporation (herein called "Pacific"), also own and operate extensive gathering systems in the San Juan Basin area. During the 12-month period ending March 31, 1957, the takings of gas by said companies and Applicants from the prorated fields to which this application relates are indicated by the Commission's monthly proration schedules to have been as follows:

<u>Field</u>	<u>Applicants</u>		<u>El Paso</u>		<u>Pacific</u>		<u>Total MCF</u>
	<u>MCF</u>	<u>% of Total</u>	<u>MCF</u>	<u>% of Total</u>	<u>MCF</u>	<u>% of Total</u>	
Aztec-PC	2,322,141	27.01	6,277,257	72.99	-	-	8,599,398
Ballard-PC 1/	766,993	9.32	7,458,449	90.68	-	-	8,225,442
Fulcher-Kutz-PC	4,925,143	64.43	2,718,738	35.57	-	-	7,643,881
South Blanco-PC	1,466,650	12.73	10,053,376	87.27	-	-	11,520,026
West Kutz-PC	1,735,696	22.69	5,914,248	77.31	-	-	7,649,944
Blanco-MV	22,653,148	14.42	123,313,826	78.51	11,092,313	7.07	157,059,287
Total	33,869,771	16.87	155,735,894	77.60	11,092,313	5.53	200,697,978

1/ Production from this field included only for September 1956, and subsequent months.

The foregoing table clearly indicates that, since under the Commission's northwestern New Mexico gas prorationing orders well allowables are directly related to total market demand and to total production, El Paso's takings of gas are at present the dominant factor in the setting of allowables in these six fields. By the same token Applicants, whose takings of gas during the period amounted to only 16.87% of the total, were able to influence allowables by means of their takings of gas only in relatively minor degree.

The facts just mentioned might be of considerably less importance if Gas Company were able to take and market gas from the area on substantially the same annual load factor basis as El Paso. Unfortunately, however, this is not the case. The territory served by Gas Company with San Juan Basin gas is relatively undeveloped industrially, leaving its peak requirements to be determined in large measure by the winter space-heating load of its domestic and small commercial customers. For several years past Gas Company has been called upon to deliver approximately twice as much gas in this area during periods of peak winter usage as it has been able to market on the average throughout the year. In contrast to this 50% load factor of Gas Company, that of El Paso, which serves the tremendous California market with its numerous large, interruptible, industrial consumers, has for several years past been substantially higher.

Because of this disparity in load factors, it became apparent some time ago to both companies concerned that the only feasible way Gas Company could increase its takings of gas from the wells connected to its northwestern New Mexico lines so as to make them ratable on a well by well basis with El Paso's takings in the same area would be for Gas Company to sell considerable volumes of gas to El Paso on almost a continuous basis. Accordingly, in 1953 Gas Company organized a new subsidiary, Gathering Company, turned over to it gas purchase rights covering almost 100 wells and locations in the Blanco-Mesaverde Field,

and caused Gathering Company to begin deliveries to El Paso in September of that year, which have increased from an initial rate of approximately 15,000 MCF per day to the full capacity of the Gathering Company facilities, or approximately 65,000 MCF per day at the present time.

These arrangements between Gas Company and El Paso worked fairly satisfactorily until the latter portion of 1956, when Pacific began taking gas from the San Juan Basin area in significant volumes for the first time and El Paso, having completed new transmission facilities to California, simultaneously began taking at a markedly increased rate. Since that time the situation, at least from Gas Company's standpoint, has progressively deteriorated. The latest data available to Applicants indicates that at the end of March, 1957 Applicants were underproduced on a cumulative basis by 3,106,229 MCF in the prorated northwestern New Mexico fields, while El Paso was overproduced by 1, 173,008 MCF and Pacific was overproduced by 1,928,221 MCF in the same fields.

In the light of the circumstances just outlined, El Paso and Applicants have within the past month agreed to arrangements which will enable Gathering Company to increase its deliveries to El Paso to a level of from 80 to 90 million cubic feet per day. Because these arrangements involve the transfer from intrastate to interstate commerce of the production of some 80 Mesaverde and 5 Pictured Cliffs wells, they cannot become operative until appropriate Certificates of Public Convenience and Necessity have been obtained from the Federal Power Commission under the provisions of the Natural Gas Act. Applicants currently are engaged in the preparation of applications for such Certificates, and expect to be able to file same within the next few weeks. Such applications will include a request for prompt issuance of temporary Certificates, so that the new deliveries to El Paso may be commenced without undue delay.

3.

As of May 31, 1957, the latest date as of which data is available, Applicants by reason of the facts and circumstances mentioned hereinabove,

had a total of 179 wells connected to their gathering lines in the prorated northwestern New Mexico pool which, having been underproduced on January 31, 1957, the close of the preceding 6-month balancing period, had back unproduced allowables which, unless made up by July 31, 1957, would then be subject to cancellation. These wells fall into two different categories. On the one hand there is a group of 83 wells (listed in Exhibits A and B hereto annexed) which are capable of producing gas in volumes greater than the respective allowables currently being assigned to them and hence, when provided with an adequate market, will be capable of making up their back underproduction. On the other hand there is a group of 96 wells (listed in Exhibits F and G hereto) which have demonstrated themselves to be currently incapable of producing their respective allowables.

Further data regarding the wells listed in Exhibits A and B is also included in Exhibits C, D, and E hereto annexed. Exhibit C summarizes by pools and companies the aggregate volumes of underproduced gas currently subject to cancellation as of July 31, 1957, the total of such volumes amounting to 1,145,257 MCF. Exhibits D and E indicate for each well the average monthly allowable during the 16-month period ending May 31, 1957, as compared to the well's maximum production during any calendar month in the same period.

4.

All of the facts and circumstances outlined above considered, Applicants submit that the interests of the owners of the wells listed in Exhibits A and B hereto will be unreasonably and unjustifiably prejudiced if the allowables of such wells becoming subject to cancellation for underproduction on July 31, 1957, are in fact cancelled on that date. The presently accumulated underproduction of these wells has been caused by circumstances over which their owners have had little if any control. These wells, as shown by Exhibits D and E, all are physically capable within a reasonable period of time of working off the underproduction currently built up against them, and Applicants' recent agreements with El

Paso give every promise of providing an adequate market to make this possible.

WHEREFORE, Applicants request that the Commission, after such hearing and upon such notice as it may prescribe, enter its order or orders with respect to each and all of the gas wells listed in Exhibits A and B hereto extending to a date not earlier than January 31, 1958, the date upon which accumulated underproduction existing as of January 31, 1957, will be cancelled for continued nonproduction.

Applicants request no relief with respect to the gas wells listed in Schedules F and G hereto inasmuch as these wells, in the opinion of Applicants, are incapable at this time of making up any material portion of their aggregate of 1,670,573 MCF of presently accumulated underproduction subject to cancellation as of July 31, 1957.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

ATTEST:

C. P. Premier  
Assistant Secretary

By J. C. Reid  
Vice President

ATTEST:

SOUTHERN UNION GATHERING COMPANY

C. P. Premier  
Assistant Secretary

By J. C. Reid  
Vice President

STATE OF TEXAS        }  
COUNTY OF DALLAS    }

On this day personally appeared before me J. C. Reid Vice  
President of Southern Union Gas Company, well known to me to be such person  
and officer and, being by me duly sworn, stated that as such officer he  
executed the foregoing application on behalf of said corporation, that he  
has read said application and that, to the best of his knowledge, informa-  
tion and belief, all statements of fact therein contained are true and  
correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office  
this 26th day of June, 1957.

My Commission Expires:

June 1, 1959

Faye Griffin  
Notary Public in and for  
Dallas County, Texas

STATE OF TEXAS        }  
COUNTY OF DALLAS    }

On this day personally appeared before me J. C. Reid Vice  
President of Southern Union Gathering Company, well known to me to be such  
person and officer and, being by me duly sworn, stated that as such officer  
he executed the foregoing application on behalf of said corporation, that he  
has read said application and that, to the best of his knowledge, information  
and belief, all statements of fact therein contained are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office this  
26th day of June, 1957.

My Commission Expires:

June 1, 1959

Faye Griffin  
Notary Public in and for  
Dallas County, Texas

SOUTHERN UNION GATHERING COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED

EXHIBIT A  
SHEET 1 of 1

	FEBRUARY				MARCH				APRIL				MAY				CUMULATIVE STATUS	
	STATUS JAN. 31, 1957	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	OVER MAY 31, 1957	UNDER
<b>BLANCO MESA OIL CO.</b>																		
Florence Federal #1-6	67,661	48,998	53,878	62,781	34,752	52,695	44,838	34,374	53,483	25,729	34,396	45,512	14,613				14,613	
Florence Federal #1-19	23,766	19,243	17,986	23,766	13,672	18,397	19,141	13,529	18,442	14,228	13,537	16,425	11,340				12,997	
Florence Federal #1-25	9,073	7,984	4,783	9,073	5,410	5,575	8,908	5,366	5,623	8,645	5,363	5,775	8,233				11,034	
Florence Federal #1-40	20,425	14,892	12,417	20,425	10,589	12,749	18,265	10,481	13,477	15,269	10,487	14,172	11,984				14,099	
Florence Federal #1-31	42,373	27,999	26,122	42,373	19,875	26,981	35,267	19,664	24,638	30,293	19,676	26,773	23,196				25,073	
Florence Federal #1-46	30,878	21,960	19,942	30,878	15,597	18,890	27,585	15,433	19,129	23,889	15,442	18,942	20,389				22,407	
Florence Federal #2-9	16,206	12,724	7,277	16,206	9,053	11,970	11,289	8,962	13,772	6,479	8,967	10,477	5,039				10,486	
Florence Federal #2-10	18,620	11,531	10,743	17,620	8,421	8,745	12,296	8,547	8,017	12,296	8,342	9,246	11,592				12,902	
Florence Federal #2-23	9,343	8,127	6,756	9,343	5,793	6,670	8,464	5,738	6,937	7,265	5,741	6,948	7,429				7,429	
Florence Federal #2-27	24,476	8,360	4,886	24,476	5,998	5,801	24,476	5,902	6,715	23,663	5,905	6,360	23,008				28,039	
Florence Federal #2-41	12,538	13,245	12,105	12,538	9,422	13,152	9,268	9,327	12,550	6,045	9,332	13,170	2,207				3,347	
Florence Federal #2-44	14,598	8,132	4,694	14,598	5,941	6,103	14,396	5,885	6,038	14,243	5,999	5,344	14,243				18,425	
Florence Federal #4-20	101,147	66,928	65,995	101,147	47,459	65,781	82,825	46,940	71,703	58,062	46,970	74,842	30,190				31,123	
Glenn #1	18,197	19,215	15,753	18,197	13,652	12,983	18,197	13,510	17,313	14,394	13,518	14,314	13,598				17,729	
Howell #1	44,201	15,468	12,183	44,201	10,998	12,757	42,442	10,885	11,688	41,639	10,892	15,017	37,514				40,799	
Howell #2	55,476	49,094	40,611	55,476	34,820	39,489	51,207	34,442	42,767	42,882	34,464	44,985	32,361				40,844	
Jesse Mansfield	29,669	11,077	7,668	29,669	7,986	9,369	28,186	7,808	19,775	25,979	7,813	7,347	25,919				29,794	
K. F. Moore #5	88,136	57,480	36,703	88,136	40,761	48,286	80,611	40,316	43,658	77,269	40,342	43,701	73,910				92,687	
Prichard #1	26,416	20,053	19,572	26,416	14,245	19,833	20,828	14,097	15,211	15,714	14,105	16,187	13,632				14,113	
Prichard #2	256,535	98,215	75,996	256,535	69,621	141,044	185,112	68,853	131,688	122,277	125,445	155,099	92,663				114,882	
Prichard #1-3	7,873	11,296	7,062	7,873	8,042	9,737	6,178	7,962	10,005	4,135	7,967	11,022	1,080				5,314	
State #1	9,548	8,030	5,974	9,548	5,727	6,136	9,139	5,674	6,005	8,808	5,677	7,053	7,432				9,488	
<b>BRONX PETROLEUM CORPORATION</b>																		
State #2	15,000	11,269	8,946	15,000	8,023	9,783	13,239	7,943	8,979	12,203	7,949	8,446	11,706				14,030	
<b>SOUTHERN UNION GAS COMPANY</b>																		
Calum #1	38,466	13,245	6,826	38,466	9,422	8,187	38,466	9,328	12,736	35,138	9,333	16,424	28,767				36,021	
Seymour #1	16,196	10,747	8,681	16,196	7,653	10,848	13,001	7,778	7,680	12,899	7,982	9,669	10,812				12,928	
Seymour #7	29,328	18,200	17,998	29,328	12,933	17,737	24,524	12,799	14,601	22,722	12,806	13,946	21,582				21,524	
TOTAL	1,721,363	613,612	512,865	1,016,483	435,725	600,998	848,548	431,127	596,930	682,425	487,939	617,086	552,268				661,887	

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED

SHEET 3 OF 4

	STATUS JAN. 31, 1957	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	CUMULATIVE STATUS MAY 31, 1957 OVER UNDER
AZTEC P. C.														
AZTEC OIL & GAS COMPANY														
Hampton #1	25,358	18,623	-0-	25,358	21,161	15,151	25,358	18,035	11,404	25,358	17,059	20,969	22,348	53,612
Hampton #2	9,541	11,480	16,112	4,909	13,046	17,802	153	11,120	8,478	153	11,068	9,491	153	4,592
SOUTHERN UNION GAS CO.														
Sutton #1	776	4,903	5,072	207	5,120	4,326	207	4,365	2,277	207	4,377	5,272	588	2,194
Zachry #1	8,730	5,729	6,286	8,173	6,515	5,834	8,173	5,555	5,814	7,914	5,569	7,025	6,458	7,139
TOTAL AZTEC P. C.	44,405	40,335	27,470	38,647	45,842	43,113	33,891	39,075	27,975	33,632	38,993	42,757	29,547	67,357
BALLARD P. C.														
SOUTHERN UNION GAS CO.														
Newson 2-A	3,427	6,221	5,333	3,427	9,852	1,309	3,427	6,423	1,348	3,427	2,801	5,008	1,220	13,726
Newson 4-B	2,790	6,167	4,806	2,790	9,767	1,143	2,790	6,367	1,972	2,790	2,777	4,721	846	12,220
TOTAL BALLARD P. C.	6,217	12,388	10,139	6,217	19,619	2,452	6,217	12,790	3,320	6,217	5,578	9,729	2,066	25,946
BLANCO MESA VERDE														
AZTEC OIL & GAS CO.														
Grande #1	6,258	13,218	9,239	6,258	9,403	9,735	5,926	9,308	10,530	4,704	9,314	11,388	2,630	6,609
Calpepper Martin #4	27,125	10,569	2,065	27,125	7,526	10,614	24,037	7,453	10,486	21,004	7,457	9,416	19,045	27,549
Davis #1	27,089	8,325	5,905	27,089	5,935	7,620	25,444	5,879	8,102	23,181	5,882	8,127	20,936	23,356
Davis #2	24,986	10,322	6,425	24,986	7,350	8,106	24,230	7,278	8,363	23,145	7,282	9,822	20,605	24,502
Decker #2	23,930	1,996	10,726	23,930	8,537	12,164	21,303	8,453	12,768	16,988	8,457	12,027	13,418	14,688
Decker #3	247,516	26,791	26,360	247,516	19,019	29,430	237,105	18,817	34,539	221,383	18,829	30,354	209,898	210,289
Greiner #5	6,515	11,736	9,202	6,515	8,352	10,604	4,263	8,269	11,837	695	8,274	8,765	204	2,738
Prine Ridge #1	23,319	13,314	5,471	23,319	9,471	4,519	23,319	9,376	10,064	22,631	9,381	10,139	21,873	34,668
Richardson #2	14,010	7,427	6,921	14,010	5,298	5,926	13,382	5,249	5,991	12,640	5,251	7,125	10,756	11,272
Richardson #4	5,245	11,914	8,199	5,245	8,479	8,769	4,955	8,395	8,329	4,955	8,400	8,492	4,863	8,654
Wyle #1-X	4,717	10,884	2,634	4,717	7,750	7,383	4,717	7,674	7,198	4,717	7,678	8,791	3,604	12,697
Turner #1	11,026	10,335	4,377	11,026	7,361	10,437	7,930	7,289	9,868	5,351	7,293	9,920	2,724	8,672
Vandervliet #1	12,349	9,649	6,273	11,369	6,875	7,406	10,618	6,808	8,121	9,505	6,812	8,863	7,454	10,830
GAS PRODUCERS, INC.														
Borton #1	12,512	10,335	9,010	12,512	7,361	8,492	11,381	7,289	9,187	9,483	7,293	8,903	7,873	9,198
Borton #2	12,532	10,802	5,232	12,532	7,692	7,515	12,532	7,616	7,940	12,208	7,622	9,081	10,747	16,494
Borton #4	11,949	10,733	7,077	11,849	7,147	7,972	11,024	7,078	8,515	9,987	7,082	7,562	9,107	12,063



SOUTHERN UNITED GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED

EXHIBIT B  
SHEET 2 OF 4

	STATUS JAN. 31, 1957	FEBRUARY			MARCH			APRIL			MAY			CUMULATIVE STATUS MAY 31, 1957	
		ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	OVER	UNDER
BLANCH MESA WELLS (cont.)															
ORNDORFF OIL CO. Vasey #1	6,027	9,636	8,008	6,027	6,864	8,191	4,700	6,797	9,340	2,157	6,801	7,921	1,037		2,445
<b>TOTAL</b>	<b>476,005</b>	<b>197,286</b>	<b>171,124</b>	<b>476,005</b>	<b>140,420</b>	<b>161,903</b>	<b>447,026</b>	<b>139,028</b>	<b>181,178</b>	<b>404,334</b>	<b>139,106</b>	<b>176,696</b>	<b>366,744</b>		<b>425,944</b>

PLUMMER CITY, D. C.

ANGELS PEAK OIL CO.

Angels Peak 2-B	5,698	1,753	2,909	4,552	2,564	3,583	3,533	1,707	3,490	1,730	1,693	2,590	863		863
Angels Peak 12-B	1,522	1,753	1,653	1,528	2,564	2,215	1,528	1,707	2,277	958	1,593	1,566	958		1,244
Angels Peak 17-B	9,259	2,065	2,373	8,451	3,004	1,970	7,485	2,001	3,522	5,964	1,984	2,810	5,138		5,138
Angels Peak 14-B	3,458	2,147	2,558	3,047	3,124	2,082	3,047	2,081	2,298	2,830	2,064	2,241	2,553		2,625
Angels Peak 15-B	10,244	2,193	2,319	10,118	3,191	4,304	8,505	2,125	4,193	6,437	2,108	4,072	4,273		4,273
Angels Peak 16-B	4,208	2,010	2,056	4,162	2,924	2,388	4,162	1,947	2,464	3,545	1,931	2,453	3,123		3,559

AZTEC OIL & GAS CO.

A-200 5	13,393	2,796	1,930	13,393	4,072	2,436	13,393	2,711	3,213	12,891	2,689	3,139	12,441		14,543
Cooper 2	2,243	1,299	1,628	1,944	1,972	1,515	1,944	1,247	1,427	1,764	1,237	477	1,764		2,321
Cornell 7	7,203	2,243	1,700	7,203	3,271	3,169	7,303	2,178	3,506	5,575	2,160	2,972	5,063		5,715
Cossens 1	7,153	1,459	2,211	2,411	2,121	1,764	2,411	1,412	2,119	1,704	1,401	2,009	1,796		1,453
Hanks 1	2,059	2,019	3,045	1,033	2,938	2,826	1,033	1,956	1,360	1,033	1,940	698	1,033		1,023
Habbell 1	6,568	2,613	4,046	5,135	3,305	1,583	5,135	2,534	4,328	3,341	2,513	4,348	1,006		1,128
Habbell 2	2,062	2,751	3,078	1,735	4,005	1,564	1,735	2,567	1,313	1,735	2,545	1,406	1,735		6,769
Lackey-Habbell 1	5,552	1,708	2,504	4,756	2,434	2,432	4,748	1,554	2,007	4,395	1,641	3,046	2,990		2,990
Hanks 1	4,627	1,955	2,337	4,245	2,344	2,697	4,245	1,894	2,203	3,936	1,878	3,167	2,647		2,794
Kettler 1	2,737	2,120	3,016	1,341	3,084	2,056	1,341	2,054	2,851	1,044	2,037	2,513	568		1,596
Manum 2	7,525	7,930	4,256	7,109	5,726	4,516	7,109	3,313	5,173	5,339	3,782	4,043	5,578		6,086
McCartel 1	2,285	1,662	2,354	1,903	2,417	1,233	1,993	1,510	1,353	1,593	1,597	2,779	611		2,052
McGrath 3	1,507	1,196	1,322	1,381	1,737	1,159	1,381	1,157	1,266	3,272	1,147	993	3,272		4,424
Newman 4	11,439	2,511	1,923	10,027	3,656	4,154	9,589	2,435	2,793	9,171	2,414	3,698	9,927		7,927
Newman 6-A	4,245	1,287	2,277	3,255	1,970	2,133	2,392	1,245	1,173	2,982	1,235	2,022	2,205		2,277
Newman 7-A	2,274	1,099	1,150	2,173	1,537	1,162	2,173	1,023	906	2,173	1,015	1,282	1,906		2,396
Reid 2	4,086	1,992	1,549	4,286	2,998	1,572	4,386	1,930	2,996	3,320	1,914	1,794	3,820		5,709

CORCORAN OIL COMPANY

Gerland 1-B	6,471	1,662	2,271	5,792	2,417	2,117	5,792	1,610	2,514	4,988	1,597	1,937	4,548		4,348
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DWLEY-TAYLOR OIL CORP.

Col-1	2,313	2,156	2,072	2,339	3,138	3,481	1,996	2,089	2,472	1,613	2,072	3,590	135		219
Coler 3	1,227	1,050	1,301	776	1,523	1,048	976	1,014	1,092	898	1,006	1,187	717		1,192
Coler 7	1,331	1,077	1,276	932	1,563	1,341	932	1,041	1,016	932	1,033	1,505	460		707

SOUTHERN OIL GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDERPRODUCTION IS REQUESTED

EXHIBIT "A"  
SHEET 3 OF 4

WELL NAME (cont.)	STATUS JAN. 31, 1957	FEBRUARY			MARCH			APRIL			MAY			CUMULATIVE STATUS MAY 31, 1957 CWT
		ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	
<b>EL PASO NATURAL GAS CO.</b>														
Herrera 1	2,965	1,452	1,985	2,432	2,110	1,776	2,432	1,405	1,469	2,368	1,394	2,373	1,389	1,723
Johnson 1	2,232	1,159	799	2,232	1,683	800	2,232	1,121	869	2,232	1,112	1,604	1,740	2,275
K. C. Deep Test 1	4,566	1,105	1,371	4,300	1,603	1,181	4,300	1,068	678	3,726	1,099	1,293	3,492	3,914
Turner-Forewell 1	4,078	1,214	1,598	3,694	1,763	1,244	3,694	1,174	1,124	3,694	1,165	1,835	3,024	3,696
Turner-Deer Test 1	3,687	1,187	1,633	3,261	1,723	1,434	3,241	1,148	1,177	3,212	1,138	1,828	2,522	2,811
<b>KING OIL COMPANY</b>														
Futz Govt. 6	11,673	3,299	5,792	9,180	4,806	5,109	8,877	3,200	4,122	7,955	3,174	3,695	7,434	7,434
Futz Govt. 10	2,430	1,415	2,344	1,501	2,057	2,092	1,466	1,370	1,631	1,205	1,399	251	1,205	2,313
<b>ROBERT L. MATTHEW</b>														
Bergis 1	2,242	1,507	1,766	2,023	2,190	1,613	2,023	1,459	2,541	941	1,447	1,658	730	1,307
<b>WYASH COMPANY OF AMERICA</b>														
Pinkin 1	462	1,425	1,413	462	2,070	1,274	462	1,379	1,010	462	1,367	1,634	195	1,372
<b>CONNER OIL &amp; CHEMICAL</b>														
Carroll-Cornell 1	4,399	1,745	2,144	3,990	2,537	1,987	3,990	1,690	2,108	3,572	1,676	54	3,572	5,744
<b>PAN AMERICAN PETROLEUM CORP.</b>														
<b>CANADIAN OIL &amp; GAS CO.</b>														
Dry 2C	1,809	1,626	1,655	1,780	2,364	2,336	1,780	1,574	1,781	1,573	1,561	2,999	535	563
Feasel 1A	4,872	3,007	4,844	3,035	4,379	4,232	3,035	2,916	3,482	2,469	2,892	5,331	30	177
Herrera 1B	4,969	1,489	2,201	4,257	2,164	2,592	3,829	1,441	1,835	3,435	1,429	2,785	2,079	2,079
K. C. Deep Test 1C	2,761	1,050	1,122	2,689	1,523	1,367	2,689	1,014	1,306	2,397	1,006	1,637	1,766	1,922
<b>SUMMIT OIL COMPANY</b>														
Summit 4	10,072	3,610	2,806	10,072	5,299	4,360	10,072	3,502	4,748	8,826	3,473	3,885	8,414	10,117
<b>THREE STATES NATURAL GAS CO.</b>														
Davidson 1B	5,055	1,562	1,286	5,055	2,271	1,813	5,055	1,512	3,204	3,363	1,500	3,039	1,824	2,598
Herrera 1C	6,093	1,260	521	6,093	1,830	634	6,093	1,219	766	6,093	1,209	2,094	5,168	7,556
<b>TOTAL</b>	<b>205,796</b>	<b>81,973</b>	<b>98,964</b>	<b>184,143</b>	<b>118,681</b>	<b>101,804</b>	<b>178,667</b>	<b>78,175</b>	<b>99,176</b>	<b>154,016</b>	<b>78,347</b>	<b>101,702</b>	<b>123,849</b>	<b>156,946</b>

**SO. PLACED P.C. FIELD**

**WHEELER OIL COMPANY**  
Florville 5-J

4,963	2,996	2,541	4,963	3,204	1,803	4,963	2,637	338	4,963	(1,403) 1,777	1,395	3,962	7,717
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SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
FOR UNDER-PRODUCTION IS REQUESTED

EXHIBIT B  
SHEET 4 OF 4

	FEBRUARY				MARCH				APRIL				MAY				CUMULATION STATUS	
	STATUS			BALANCE			BALANCE			BALANCE			BALANCE			SUBJECT TO	MAY 31, 1957	
SO. BLANCO P.C. FIELD (cont.)	JAN. 31, 1957	ALLOWABLES	PRODUCTION	SUBJECT TO	ALLOWABLES	PRODUCTION	SUBJECT TO	ALLOWABLES	PRODUCTION	SUBJECT TO	ALLOWABLES	PRODUCTION	SUBJECT TO	ALLOWABLES	PRODUCTION	CANCELLATION	OVER	UNDER
LOWRY ET AL OPERAT. ACCT.																		
Donnell PC-87	6,447	3,398	4,100	5,735	4,164	3,212	5,735	3,426	1,360	5,735	2,257	3,051	4,941				7,958	
Donnell PC-85	9,704	2,392	1,143	9,704	2,958	1,330	9,704	2,434	1,352	9,704	1,604	2,122	9,186				13,145	
Donnell PC-97	5,203	2,488	2,603	5,088	3,075	3,062	5,088	2,530	2,141	5,088	1,667	2,479	4,276				4,678	
Donnell PC-125	13,552	4,813	3,178	13,552	5,890	3,974	13,552	4,844	2,796	13,552	3,192	4,205	12,539				13,138	
Donnell PC-129	5,874	2,938	2,440	5,884	3,620	2,286	5,884	2,978	1,961	5,884	1,962	3,583	4,263				7,112	
Donnell PC-131	10,365	3,556	4,010	10,011	4,489	4,113	10,011	3,692	3,691	10,011	2,433	4,568	7,576				7,953	
Donnell PC-177	2,380	2,563	2,914	2,029	3,166	2,740	2,029	2,605	2,155	2,029	1,716	2,635	1,110				1,986	
Donnell PC-179	8,410	4,428	4,996	7,842	5,423	6,075	7,190	4,460	3,409	7,190	2,939	4,599	5,530				6,581	
Donnell PC-239	11,313	5,113	4,881	11,313	6,253	7,326	10,240	5,142	4,353	10,240	3,389	6,685	6,944				7,955	
Donnell PC-297	5,963	3,881	3,929	5,915	4,761	4,320	5,915	3,916	4,210	5,521	2,581	4,319	3,883				4,324	
ROBERT E. MEAD																		
Scott 1-B	3,463	2,349	2,968	2,844	2,905	3,227	2,523	2,392	2,829	2,086	1,576	2,366	1,296				1,296	
TOTAL SO. BLANCO P.C. FIELD																		
	87,647	40,605	39,703	84,880	49,909	43,468	82,834	41,056	30,595	82,103	25,650	42,247	65,906				88,854	
WEST RUTZ P. C.																		
WESBURY DEVELOPMENT CO.																		
Hagar #9	3,640	5,441	4,435	3,640	5,419	4,080	3,640	4,965	4,354	3,640	3,149	3,701	3,088				6,034	
Hagar #11	1,842	5,796	3,669	1,842	5,774	5,501	1,815	5,291	5,384	1,722	3,353	4,975	100				2,427	
Hagar #12	912	2,945	2,498	912	2,920	2,336	912	2,672	2,532	912	1,719	2,292	339				1,510	
Wade #1	3,010	4,507	2,633	3,010	4,485	3,758	3,010	4,108	4,305	2,313	2,614	3,777	1,650				4,251	
TOTAL WEST RUTZ																		
	9,404	18,689	13,235	9,404	18,598	15,975	9,377	17,036	16,585	9,087	10,535	11,745	5,177				14,022	

S U M M A R Y  
 SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF ALLOWABLES  
 FOR UNDERPRODUCTION IS REQUESTED BY SOUTHERN UNION GAS COMPANY AND  
 SOUTHERN UNION CATHODIC CO.

EXHIBIT C  
 SHEET 1 of 1

SOUTHERN UNION GAS COMPANY	STATUS JAN. 31, 1957	FEBRUARY			MARCH			APRIL			MAY			CUMULATIVE STATUS MAY 31, 1957	
		ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	ALLOWABLES	PRODUCTION	BALANCE SUBJECT TO CANCELLATION	OVER	UNDER
AZTEC P. C. POOL	44,465	40,335	27,470	38,674	45,842	43,113	33,891	39,075	27,973	33,632	38,993	42,797	29,647		67,337
BALLARD P.C. POOL	6,217	12,388	10,139	6,217	19,619	2,452	6,217	12,790	3,320	6,217	5,578	7,725	2,060		30,952
BLANCO MESA VERDE POOL	476,005	197,286	133,124	476,005	140,420	163,903	447,026	139,028	181,178	404,334	139,106	176,696	366,744		436,944
FULCHER RUTZ P.C. POOL	205,796	81,993	98,964	184,143	118,681	103,804	178,667	78,175	99,176	154,016	78,347	101,702	123,849		158,014
SOUTH BLANCO P.C. POOL	87,647	40,605	39,773	84,979	49,909	43,468	82,833	41,056	30,995	82,102	28,620	42,227	65,306		88,954
WEST RUTZ P.C. POOL	9,404	18,689	13,235	9,404	18,998	15,975	9,377	17,036	16,585	9,087	10,835	14,745	5,177		14,022
<b>TOTAL SOUTHERN UNION GAS CO.</b>	<b>829,494</b>	<b>390,896</b>	<b>322,635</b>	<b>799,322</b>	<b>393,069</b>	<b>372,713</b>	<b>758,011</b>	<b>327,160</b>	<b>358,827</b>	<b>689,388</b>	<b>298,509</b>	<b>387,976</b>	<b>532,989</b>		<b>797,055</b>
<b>SOUTHERN UNION CATHODIC CO.</b>															
BLANCO MESA VERDE POOL	1,021,363	613,612	512,865	1,016,483	435,725	600,998	848,548	431,127	596,930	682,425	487,939	617,066	552,268		661,987
<b>TOTAL ALL POOLS (BOTH CO'S.)</b>	<b>1,850,857</b>	<b>1,004,508</b>	<b>835,500</b>	<b>1,815,805</b>	<b>828,794</b>	<b>973,711</b>	<b>1,606,559</b>	<b>758,287</b>	<b>955,757</b>	<b>1,371,813</b>	<b>786,448</b>	<b>1,004,962</b>	<b>1,145,297</b>		<b>1,459,042</b>

SOUTHERN UNION GATHERING COMPANY

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLES  
FOR PERIOD FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GATHERING COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLE 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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BLANCO MESA VERDE

DEHLI-TAYLOR OIL CORPORATION

FLORANCE FEDERAL #1-6	69,538	37,790	31,748
FLORANCE FEDERAL #1-19	25,115	13,832	11,283
FLORANCE FEDERAL #1-25	6,810	6,364	446
FLORANCE FEDERAL #1-40	16,308	9,560	6,748
FLORANCE FEDERAL #31	42,320	19,850	22,470
FLORANCE FEDERAL #46	24,289	14,580	9,709
FLORANCE FEDERAL #2-9	14,540	8,751	5,789
FLORANCE FEDERAL #2-10	14,949	9,272	5,677
FLORANCE FEDERAL #2-23	9,148	6,822	2,326
FLORANCE FEDERAL #2-27	8,119	5,806	2,313
FLORANCE FEDERAL #2-41	15,692	10,114	5,578
FLORANCE FEDERAL #2-44	7,378	6,033	1,345
FLORANCE FEDERAL #4-20	91,663	59,648	32,015
GIOMI #1	22,738	11,636	11,102
HOWELL #1	20,871	10,661	10,210
HOWELL #2	72,332	33,070	39,262
JANE MANSFIELD	10,530	7,858	2,672
K.F. MOORE #5	65,795	25,259	40,536
PRICHARD #1	32,464	13,498	18,966
PRICHARD #2	151,059	88,243	62,816
PRICHARD #1-3	11,415	8,738	2,677
STATE #1	7,257	6,694	563

FUBCO PETROLEUM CORPORATION

STATE #2	10,862	7,839	3,023
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SOUTHERN UNION GAS COMPANY

QUINN #1	19,646	8,819	10,827
SEYMOUR #1	13,377	8,772	4,605
SEYMOUR #7	25,150	14,255	10,895

<u>TOTAL</u>	<u>809,365</u>	<u>453,764</u>	<u>355,601</u>
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SOUTHERN UNION GAS COMPANY

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLES

FOR PERIOD FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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AZTEC PICTURED CLIFF

AZTEC OIL & GAS COMPANY

HAMPTON	#1	27,108	16,451	10,657
HAMPTON	#2	22,599	11,604	10,995

SOUTHERN UNION GAS COMPANY

SEXTON	#1	7,005	4,109	2,896
ZACHARY	#1	9,410	8,164	1,246

<u>TOTAL AZTEC PICTURED CLIFF</u>		<u>66,122</u>	<u>40,328</u>	<u>25,794</u>
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BALLARD PICTURED CLIFF POOL

SOUTHERN UNION GAS COMPANY

NEWSOM	#2-A	7,530	6,222	1,308
NEWSOM	#4-B	11,176	6,452	4,724

<u>TOTAL BALLARD PICTURED CLIFF POOL</u>		<u>18,706</u>	<u>12,674</u>	<u>6,032</u>
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BLANCO MESA VERDE

AZTEC OIL & GAS COMPANY

CRANDELL	#1	12,883	10,703	2,180
GULPEPPER MARTIN	#4	11,689	6,463	5,226
DAVIS	#1	9,117	7,053	2,064
DAVIS	#2	9,822	5,143	4,679
DECKER	#2	18,176	10,139	8,037
DECKER	#3	51,287	31,858	19,429
GRENIER	#5	15,564	9,436	6,128
PRIMO MUDGE	#1	12,153	9,491	2,662
RICHARDSON	#2	7,125	4,296	2,829
RICHARDSON	#4	11,889	7,743	4,146
RUPLE	#1-X	9,724	7,084	2,640
TURNER	#1	11,158	7,783	3,375
VANDERSLICE	#1	10,436	8,300	2,136

SOUTHERN UNION GAS COMPANY

EXHIBIT E  
SHEET 2 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLES

FOR PERIOD FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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BLANCO MESA VERDE CONTINUED

GAS PRODUCERS INCORPORATED

HORTON	#1	11,274	8,449	2,825
HORTON	#2	10,408	7,725	2,683
HORTON	#4	12,135	7,802	4,333

GREENBRIAR OIL COMPANY

VASALEY	#1	10,650	6,768	3,882
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<u>TOTAL BLANCO MESA VERDE</u>		<u>235,490</u>	<u>156,236</u>	<u>79,254</u>
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FULCHER KUTZ PICTURED CLIFF POOL

ANGELS PEAK OIL COMPANY

ANGELS PEAK	#9-B	5,563	3,505	2,058
ANGELS PEAK	#12-B	3,804	2,422	1,382
ANGELS PEAK	#13-B	4,986	3,815	1,171
ANGELS PEAK	#14-B	3,743	2,915	828
ANGELS PEAK	#15-B	8,492	4,998	3,494
ANGELS PEAK	#16-B	6,465	3,194	3,271

AZTEC OIL & GAS COMPANY

AZTEC	#5	6,705	3,930	2,775
COOPER	#2	2,191	1,633	558
CORNELL	#7	4,190	2,987	1,203
COZZENS	#1	2,636	1,648	988
HANKS	#1	4,039	2,404	1,635
HUBBELL	#1	7,763	3,994	3,769
HUBBELL	#2	6,018	3,010	3,008
LACKEY-HUBBELL	#1	3,484	2,230	1,254
HUGHES	#1	3,870	2,985	885
KATTLER	#1	3,964	2,758	1,206
MANGUM	#2	7,892	5,563	2,329
McDANIEL	#1	3,192	2,192	1,000
McGRATH	#3	2,087	1,641	446
NEWMAN	#4	5,711	4,281	1,430
NEWMAN	#6A	2,767	1,912	855

SOUTHERN UNION GAS COMPANY

EXHIBIT 2  
SHEET 3 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLE

FOR PERIOD FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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FULCHER KUTZ PICTURED CLIFF POOL CONTINUED

AZTEC OIL & GAS COMPANY CONTINUED

NEWMAN	#7A	1,533	1,198	335
REID	#2	3,770	2,793	977

CONGRESS OIL COMPANY

GARLAND	#1B	3,087	2,771	316
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DEHLI-TAYLOR OIL CORPORATION

COLE	#1	5,666	2,907	2,759
OMLER	#3	1,742	1,321	421
OMLER	#7	1,886	1,382	504

EL PASO NATURAL GAS COMPANY

HARGRAVES	#1	3,100	1,885	1,215
JOHNSON	#1	1,915	1,333	582
K.C. DEEP TEST	#1	2,091	1,505	586
TURNER-FEASEL	#1	2,087	1,751	336
TURNER-DEEP TEST	#1	2,156	1,741	415

KING OIL COMPANY

KUTZ GOVT.	#6	5,792	2,921	2,871
KUTZ GOVT.	#10	4,015	2,144	1,871

ROBERT L. MADDOX

HARGIS	#1	2,672	1,985	687
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POTASH COMPANY OF AMERICA

PIPKIN	#1	2,363	1,291	1,072
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SCOTT, SCOTT & SHEPHARD

CARROLL-CORNELL	#1	2,617	2,206	411
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PAN AMERICAN PETROLEUM CORPORATION

DAY	#2-C	3,853	2,049	1,804
FEASEL	#1-A	5,609	4,039	1,570
HARGRAVES	#1-B	2,785	2,002	783
K.C. DEEP TEST	#1-C	2,072	1,588	484



SOUTHERN UNION GAS COMPANY

EXHIBIT E  
SHEET 4 OF 5

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLE

FOR PERIOD FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
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FULCHER KUTZ PICTURED CLIFF POOL CONTINUED

SUMMIT OIL COMPANY

SUMMIT	#4	6,871	5,278	1,593
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THREE STATES NATURAL GAS COMPANY

DAVIDSON	#1B	3,388	2,414	974
HARGRAVES	#1C	2,642	2,173	469

<u>TOTAL FULCHER KUTZ</u>		<u>173,274</u>	<u>114,694</u>	<u>58,580</u>
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SOUTH BLANCO PICTURED CLIFF POOL

HUMBLE OIL COMPANY

JICARILLO	#5-J	4,778	3,053	1,725
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LOWRY ET AL OPER. ACC.

DOSWELL	#PC-83	5,233	3,133	2,100
DOSWELL	#PC-85	2,708	2,201	507
DOSWELL	#PC-87	3,275	2,323	952
DOSWELL	#PC-125	5,923	4,730	1,193
DOSWELL	#PC-129	4,340	2,694	1,646
DOSWELL	#PC-131	6,031	3,544	2,487
DOSWELL	#PC-177	3,451	2,177	1,274
DOSWELL	#PC-179	7,590	4,219	3,371
DOSWELL	#PC-239	9,004	4,927	4,077
DOSWELL	#PC-297	6,068	3,439	2,629

ROBERT E. MEAD

SCOTT	#1-B	3,701	2,388	1,313
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<u>TOTAL SOUTH BLANCO PICTURED CLIFF POOL</u>	<u>62,102</u>	<u>38,828</u>	<u>23,274</u>
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WEST KUTZ

SOUTHERN UNION GAS COMPANY

EXHIBIT E  
PAGE 2 OF 3

COMPARATIVE STATEMENT OF PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLE  
FOR PERIOD FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GAS COMPANY</u>		<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
<u>WEST KUTZ</u>				
	<u>WESTERN DEVELOPMENT COMPANY</u>			
EDGAR	#9	7,528		
EDGAR	#11	7,813	4,200	3,328
EDGAR	#12	4,130	4,758	3,055
MUDGE	#1	5,665	2,301	1,829
			3,677	1,988
<u>TOTAL WEST KUTZ</u>		<u>25,136</u>	<u>14,936</u>	<u>10,200</u>
<u>TOTAL BOTH COMPANY'S</u>		<u>1,390,195</u>	<u>831,460</u>	<u>558,735</u>

RECORD OF  
EXHIBITS D&E

S U M M A R Y

COMPARATIVE STATEMENT SOUTHERN UNION GAS & SOUTHERN UNION GATHERING CO.

PEAK MONTHLY PRODUCTION AND AVERAGE ALLOWABLES FOR PERIOD

FEBRUARY 1, 1956 THROUGH MAY 31, 1957

<u>SOUTHERN UNION GAS COMPANY</u>	<u>PEAK MONTHLY PRODUCTION 2/1/56-5/31/57</u>	<u>AVERAGE MONTHLY ALLOWABLES 2/1/56-5/31/57</u>	<u>EXCESS PRODUCING CAPACITY</u>
AZTEC PICTURED CLIFF POOL	66,122	40,328	25,794
BALLARD PICTURED CLIFF POOL	18,706	12,674	6,032
BLANCO MESA VERDE POOL	235,490	156,236	79,254
FULCHER KUTZ PICTURED CLIFF POOL	173,274	114,694	58,580
SOUTH BLANCO PICTURED CLIFF POOL	62,102	38,828	23,274
WEST KUTZ PICTURED CLIFF POOL	25,136	14,936	10,200
<u>TOTAL SOUTHERN UNION GAS COMPANY</u>	<u>580,830</u>	<u>377,696</u>	<u>203,134</u>
<u>SOUTHERN UNION GATHERING CO.</u>	<u>809,365</u>	<u>453,764</u>	<u>355,601</u>
<u>TOTAL BOTH COMPANY'S</u>	<u>1,390,195</u>	<u>831,460</u>	<u>558,735</u>

SOUTHERN UNION GATHERING COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

SOUTHERN UNION GATHERING COMPANY  
BLANCO MESA VERDE POOL  
DEHLI-TAYLOR OIL CORPORATION

AMOUNT SUBJECT  
TO CANCELLATION  
AS OF  
MAY 31, 1957

Florance Fed. #1-13	16,555
Florance Fed. #28	217,771
Florance Fed. #2-14	30,631
Florance Fed. #2-45	20,625
Florance Fed. #3-42	24,913
Hammer #2	17,329
Helen Jackson #2	27,311
Catherine Moore #1	33,535
Linda Nye #1	30,139
State #2	19,250
State #3	35,118

SOUTHERN UNION GAS COMPANY

Mims State #1	16,218
Quinn #2	53,253
Quinn #3	21,386
Quinn #5	14,302
Seymour #3	11,018
Seymour #5	32,365
Trigg #1	327,082

TOTAL SOUTHERN UNION GATHERING COMPANY      948,801

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

<u>AZTEC PICTURED CLIFF POOL</u>		AMOUNT SUBJECT TO CANCELLATION AS OF <u>MAY 31, 1957</u>
<u>AZTEC OIL &amp; GAS COMPANY</u>		
McClanahan	#2	3,900
Reid	#3	6,811
Reid	#6	3,492
<u>SOUTHERN UNION GAS COMPANY</u>		
Calloway	#1	10,611
Haynie	#1	4,536
<u>TOTAL AZTEC PICTURED CLIFF POOL</u>		<u>29,350</u>
<u>BALIARD PICTURED CLIFF POOL</u>		NONE
<u>BLANCO MESA VERDE POOL</u>		
<u>AZTEC OIL &amp; GAS COMPANY</u>		
Burlington	#1	4,789
Cain	#3	12,988
Culpepper Martin	#1	20,660
Culpepper Martin	#3	12,556
Culpepper Martin	#5	17,200
Dalsant	#1	15,134
Davis	#3	13,300
Davis	#5	16,688
Davis	#6	10,171
East	#5	27,842
Grenier	#3	9,871
Harper	#1	12,679
Hillstrom	#1	18,588
Hubbard	#1	23,588
Page	#1	21,535
Page	#2	27,177
Pierce	#1	15,869
Pierce	#2	12,553
Randleman	#1	5,870
Vanderslice	#2	23,999
<u>DEHLI OIL CORPORATION</u>		
Hamner	#3	16,692

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

<u>BLANCO MESA VERDE POOL (Continued)</u>		AMOUNT SUBJECT TO CANCELLATION AS OF <u>MAY 31, 1957</u>
<u>HUBCO DEVELOPMENT COMPANY</u>		
State	#1	12,744
<u>SOUTHERN UNION GAS COMPANY</u>		
Jicarilla	#1-F	14,768
Payne	#1	16,524
<u>TOTAL BLANCO MESA VERDE POOL</u>		<u>383,785</u>

FULCHER KUTZ PICTURED CLIFF POOL

ANGELS PEAK OIL COMPANY

Angels Peak	#3	4,888
Angels Peak	#18	6,071

AZTEC OIL & GAS COMPANY

Cooper	#1	13,679
Faverino	#1	2,757
Hanks	#2	4,200
Lackey-Hubbell	#2	14,603
A. D. Hudson	#1	3,022
Mengum	#3	4,420
Newman	#5-B	9,390
Walker	#2	3,777

BROWN & STEARNS

Brown	#1	26,321
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CONGRESS OIL COMPANY

Congress	#2	11,670
Congress	#3	2,971
Lachman	#2	3,845

DEHLI-TAYLOR OIL COMPANY

Omler	#2	4,145
Omler	#5	2,908

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

FULCHER KUTZ PICTURED CLIFF POOL (Continued)

AMOUNT SUBJECT  
TO CANCELLATION  
AS OF  
MAY 31, 1957

EL PASO NATURAL GAS COMPANY

Galt #1 3,472  
~~PANAMERICAN PETROLEUM CORPORATION~~  
~~STANGLIND OIL & GAS COMPANY~~

Davidson #1 2,774  
Galt #1-G 5,576

SUMMIT OIL COMPANY

Summit #1 5,572  
Summit #2 4,541  
Summit #3-B 3,454

TEXAS NATURAL PETROLEUM COMPANY

Lodewick #3 3,746  
Lodewick #5 7,563

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TOTAL FULCHER KUTZ PICTURED CLIFF POOL 155,365

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SOUTH BLANCO PICTURED CLIFF POOL

HUMBLE OIL COMPANY

Jicarilla #3-J 11,733  
Jicarilla #4-J 12,015  
Jicarilla #6-J 4,377  
Jicarilla #7-J 7,160  
Jicarilla #8-J 10,152

LOWREY ET AL OPERATING ACCOUNT

McLee #PC-49 7,556  
McLee #PC-81 4,888  
Doswell #PC-183 6,875  
Doswell #PC-185 4,545  
Doswell #PC-233 5,832  
Doswell #PC-235 6,407  
McLee #PC-281 9,128  
State #PC-295 5,123  
Doswell #PC-343 7,574  
Lowrey #PC-345 4,831  
Kaine #1 3,409

SOUTHERN UNION GAS COMPANY  
SCHEDULE OF WELLS FOR WHICH DEFERMENT OF CANCELLATION OF  
ALLOWABLES FOR UNDERPRODUCTION WILL NOT BE REQUESTED

<u>SOUTH BLANCO PICTURED CLIFF POOL (Continued)</u>		AMOUNT SUBJECT TO CANCELLATION AS OF MAY 31, 1957
<u>ROBERT E. MEAD</u>		
Scott	#1-A	5,289
Scott	#1-C	3,233
Scott	#1-D	10,782
<u>SOUTHERN UNION GAS COMPANY</u>		
Jicarilla	#3-K	9,626
<u>TOTAL SOUTH BLANCO PICTURED CLIFF POOL</u>		<u>140,535</u>
 <u>WEST KUTZ PICTURED CLIFF POOL</u>		
<u>O. H. RANDEL</u>		
Tonkins	#1-X	2,723
Tonkins	#3	1,035
Tonkins	#4	1,731
<u>WESTERN DEVELOPMENT COMPANY</u>		
Edgar	#8	3,446
Mudge	#10-A	3,802
<u>TOTAL WEST KUTZ PICTURED CLIFF POOL</u>		<u>12,737</u>
 <u>TOTAL SOUTHERN UNION GAS COMPANY</u>		 <u>721,772</u>



RECAPS OF  
EXHIBIT F & G

S U M M A R Y  
WELLS FOR WHICH DEFERRMENT OF CANCELLATION OF ALLOWABLES FOR  
UNDERPRODUCTION WILL NOT BE REQUESTED BY SOUTHERN UNION GAS  
AND SOUTHERN UNION GATHERING COMPANY

	AMOUNT SUBJECT TO CANCELLATION AS OF <u>MAY 31, 1957</u>
<u>SOUTHERN UNION GAS COMPANY</u>	
AZTEC PICTURED CLIFF POOL	29,350
BLANCO MESA VERDE POOL	383,785
FULCHER KUTZ PICTURED CLIFF POOL	155,365
SOUTH BLANCO PICTURED CLIFF POOL	140,535
WEST KUTZ PICTURED CLIFF POOL	12,737
<u>TOTAL SOUTHERN UNION GAS COMPANY</u>	<u>721,772</u>
 SOUTHERN UNION GATHERING COMPANY	 948,801
 <u>TOTAL BOTH COMPANY'S</u>	 <u>1,670,573</u>