

Case No.

174

Application, Transcript,
Small Exhibits, Etc.

Case 176 In the matter of Southern Union
Prod. Co. for an order granting exception to
Sec. 16 of Order No. 748, etc.

Exhibit 'A'

Company Southern Union Production Co.

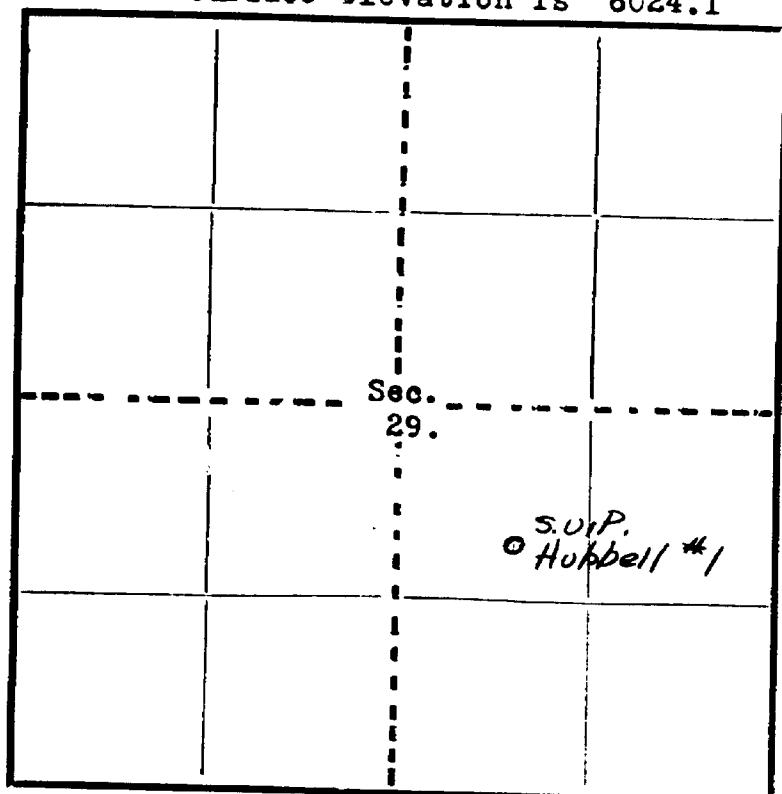
Lease _____ Well No. _____

Sec. 29. T. 26. N. R. 10. W. N.M.P.M.

Location 1650' West & 1650' North from SE Cor. Sec. 29.

Being in the NW¹ SE¹ of section 29.
San Juan County New Mexico

Natural surface elevation is 6024.1



Scale—4 inches equals 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal: H. H. Miller
Registered Professional
Engineer and Land Surveyor.
Farmington, New Mexico

Surveyed February 2, 1949.

MAR 18 1949

AZTEC INDEPENDENT-REVIEW

**NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

22

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 174

In the matter of the application of Southern Union Production Company for an order granting an exception to section 1 (c) of Order No. 748 to permit location of a well 200 ft. west of the boundaries specified in Section 1 (c) because of the nature of the terrain. The drilling unit containing 160 acres substantially in the shape of a square, embraces the SE $\frac{1}{4}$ of section 29, T.28N. R.10W. in San Juan County, New Mexico.

Case 177

In the matter of the application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944, and generally known as the "Bonus Discovery Allowable Order".

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 15, 1949.

**STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

R. R. SPURRIER, Secretary

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**STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

R. R. SPURRIER, Secretary

**AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO
COUNTY OF SAN JUAN**

George B. Bowra, being duly sworn, declares and says that he is the Editor of The Aztec Independent-Review, a weekly newspaper published and having general circulation in the City of Aztec, County of San Juan, and State of New Mexico; that the publication; a copy of which is hereto attached, was published in said paper in the regular and entire issue of every number of the paper during the period and time of publication, and that the notice was published in the newspaper proper and

for one issues, the first publication being on March, 1949, and the last publication y of March, 1949. Publication fee \$5.00

George B. Bowra

to before me, a Notary Public, in and for the County e of New Mexico this 21 day of March, 1949

Notary Public

s Oct. ~~21, 1947~~ 31, 1951.

March 15, 1949

AZTEC INDEPENDANT REVIEW
Aztec, New Mexico

RE: Cases 174-177, Notice of Publication

Gentlemen:

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

PLEASE PROOF READ AND UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by voucher executed in duplicate. The necessary blanks are enclosed.

Very truly yours,

Secretary and Director

RRS:bw

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
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Case 176

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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary

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STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public:

Case 173

In the matter of the application of Transcontinental Oil Co., Inc. for an order granting permission to drill its Coyote Dome No. 1, Cabra Springs Ranch well, in an unorthodox location in the center of the northeast quarter of section 1, in T.13N, R.21E, San Miguel County, New Mexico.

Case 174

In the matter of the application of Southern Union Production Company for an order granting an exception to section 1 (c) of Order No. 748 to permit location of a well 200 ft. west of the boundaries specified in section 1 (c) because of the nature of the terrain. The drilling unit containing 160 acres substantially in the shape of a square, embraces the SE $\frac{1}{4}$ of section 29, T.28N, R.10W, in San Juan County, New Mexico.

Case 175

In the matter of the application of Gulf Oil Corporation for an order to dually complete and produce from the Hobbs lime section and the Byers sand section from a single well bore in the West Grimes #15, located 990 ft. north of the south line and 2310 ft. east from the west line of section 32, T.18S, R.38E, Lea County, New Mexico.

Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to amend Paragraph 2 of Order No. 788, issued in Case No. 146, deleting therefrom the words at the end of the section to-wit: "Provided that a supplemental order is issued authorizing such production", and making said Paragraph 2 of said Order 788 read as follows:

"Paragraph 2. That any common purchaser is authorized to purchase 100% of the allowable from all units classified as marginal units on the monthly proration order. A marginal unit is a unit that is

incapable of producing the state unit allowable for that particular month. Any amount of crude petroleum up to and including the top unit allowable for that particular month may be purchased from original units.

Case 172

In the matter of the application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 572, which became effective as of June 1, 1944, and generally known as the "Bonus Discovery Allowable Order".

Case 178

In the matter of the application of the Oil Conservation Commission upon its own motion upon recommendation of the Nomenclature Committee for an order selecting from the Arrowhead pool as heretofore established, the following described lands: S1/4 of section 11, and the W1/2 of section 14, T.22S, R.36E, N41.24N, Lea County, New Mexico. This selection from the Arrowhead pool is necessary because of the extension of the Santa Eulalia pool to include gas production in the west part of above described section.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 15, 1946.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrick
R. R. SPURRICK, Secretary

SEAL

ILLEGIBLE

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held March 31, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

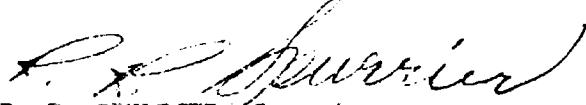
All named parties in the following
case, and notice to the public;

Case 179

In the matter of the application of Franklin, Aston and Fair for approval of an unorthodox well location 1270 ft. south of the north line and 1370 ft. east of the west line (SW NE $\frac{1}{4}$ NW $\frac{1}{4}$) in section 7, T.18S, R.30E., NMPM, in the Loco Hills pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on March 18, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

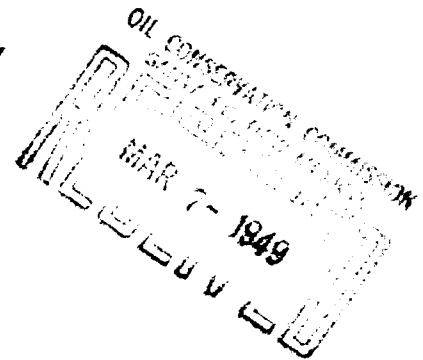

R. R. SPURRER, Secretary

SEAL

ILLEGIBLE

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

March 4, 1949



Mr. R. R. Spurrier, Secretary
Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

In accordance with Mr. Thompson's telephone conversation with you a few days ago, there is enclosed the petition of Southern Union Production Company for the Commission's order granting exception to Section 1(c) of Rule 748 to permit the Company to drill its Hubbell Well No. 1 at a location approximately 200 feet west of the boundaries specified in Section 1(c). Also enclosed is a form suggesting the pertinent statement concerning this petition which might be included in your proposed notice of hearing.

If there is any additional information desired in this connection, please let me know. Also, it will be appreciated if you will arrange for us to receive in due course a copy of the publisher's affidavit with respect to the notice of hearing.

With thanks, I am

Yours very truly,

A handwritten signature in cursive script, reading "Q. B. Davis".

Quilman B. Davis
Legal Department

QBD:FG

cc: Mr. J. R. Cole, Santa Fe
Mr. Van Thompson, Dallas

NOTICE FOR PUBLICATION

The State of New Mexico, acting by and through the Oil Conservation Commission, pursuant to law, hereby gives notice of the following hearing to be held by the Oil Conservation Commission on _____, 1949, beginning at _____ on said day at Santa Fe, New Mexico:

Case No. _____

In the matter of the application of Southern Union Production Company for an order granting an exception to Section 1(c) of Order No. 748 to permit location of a well 200 feet west of the boundaries specified in Section 1(c) because of the nature of the terrain. The drilling unit containing 160 acres, substantially in the shape of a square, embraces the SE $\frac{1}{4}$ of Section 29, Township 28 North, Range 10 West, San Juan County, New Mexico.

Given by the Oil Conservation Commission of New Mexico in the name and on behalf of the State of New Mexico, at Santa Fe this _____ day of _____, 1949.

THE STATE OF NEW MEXICO

By _____ Secretary
OIL CONSERVATION COMMISSION

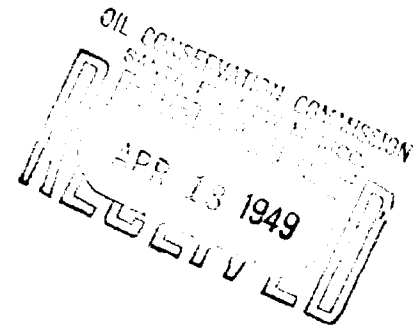
(Seal)

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY
A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

April 13, 1949



Mr. Dick Spurrier
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

In order to complete our file in the matter of Southern Union Production Company's application for an order granting an exception to Section 1(c) of Order No. 748 fixing the spacing of wells in the Kutz Canyon-Fulcher Basin gas fields in San Juan County, New Mexico considered by the Commission on March 31, 1949, it will be greatly appreciated if you will forward to me a signed copy of the Commission's order in this case.

DRRS

With thanks and best regards, I am

Yours very truly,

W. L. Lea, Jr.

QBD:FG

*10-70-49
10-70-49
10-70-49*

April 22, 1949

10774
Mr. Guilman E. Davis, Legal Department
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Dear Mr. Davis:

Enclosed herewith is a signed copy of Order No. 815, issued by the Oil Conservation Commission of the State of New Mexico, in connection with the hearing held on March 31, 1949, at Santa Fe, New Mexico.

This is in compliance with your request of April 13, 1949.

Very truly yours,

R. R. Spurrier
Secretary and Director

RSS:bw
cc: Mr. Manuel A. Sanchez
Southern Union Gas Co., Santa Fe

April 22, 1949

174
Mr. Al Greer
Oil Conservation Commission
P. O. Box 337
Artes, New Mexico

Dear Al:

We are enclosing herewith, copy of Order No. 815, issued by the Oil Conservation Commission, in connection with the hearing held on March 31, 1949, at Santa Fe, New Mexico.

This is for your records.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:bw
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:

CASE NO. 174
ORDER NO. 815

IN THE MATTER OF THE APPLICATION OF SOUTHERN
UNION PRODUCTION COMPANY, PETITIONER, FOR AN
ORDER GRANTING EXCEPTION TO SECTION 1 (c) OF
ORDER NO. 748 FIXING THE SPACING OF WELLS IN
THE KUTZ CANYON-FULCHER BASIN GAS FIELDS OF
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M., March 31,
1949, at Santa Fe, New Mexico before the Oil Conservation Commission of
New Mexico, hereinafter referred to as the "Commission".

NOW, on this the 31st day of March, 1949, the Commission having before
it for consideration the testimony and other evidence adduced at the hearing
of said case and the application of petitioner and being fully advised in
the premises:

FINDS:

That the proposed location of a Pictured Cliffs well on the Southern
Union Production Company, Byrd-Frost, Inc., Western Natural Gas Company,
Stanolind Oil and Gas Company, P. B. English, San Juan Basin Pool and G. T.
Lackey communitized drilling unit comprising the SE $\frac{1}{4}$ of Section 29, Town-
ship 28 North, Range 10 West, N.M.P.M., in San Juan County, New Mexico, 200
feet west of the boundary specified in Section 1(c) of Order No. 748 should
be permitted because of the rugged terrain of a feasible location within the
limitations prescribed by said Section 1(c).

IT IS THEREFORE ORDERED:


That Southern Union Production Company be granted permission to locate,
drill, complete and produce the Southern Union Production Company, et al -
Hubbell Well No. 1 at a location 1650 feet north of the south line and 1850
feet west of the east line of Section 29, Township 28 North, Range 10 West,
N.M.P.M., San Juan County, New Mexico.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER


R. R. SPURRER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Santa Fe, New Mexico

IN THE MATTER OF PETITION FOR ORDER)
GRANTING EXCEPTION TO SECTION 1(C))
OF ORDER NO. 748 FIXING THE SPACING)
OF WELLS IN THE KUTZ CANYON-FULCHER)
BASIN GAS FIELDS IN SAN JUAN COUNTY,)
NEW MEXICO.

Case No. _____

SOUTHERN UNION PRODUCTION COMPANY,
Petitioner

TO THE COMMISSION AND ITS HONORABLE MEMBERS:

This is a petition for an order of the Commission granting an exception to the spacing requirements of Section 1(c) of Order No. 748 fixing the spacing of wells in the Kutz Canyon-Fulcher Basin Gas Fields in San Juan County, New Mexico. Your Petitioner, Southern Union Production Company, a corporation authorized to transact business in New Mexico, maintains an office in Santa Fe at the corner of Marcy and Otero Streets and an office in Farmington.

Petitioner would show the Commission as follows:

1. That on September 17, 1948, Southern Union Production Company, Byrd-Frost, Inc., Western Natural Gas Company, Stanolind Oil and Gas Company, P. B. English, San Juan Basin Pool and G. T. Lackey entered into a communitization agreement pooling their respective interests in certain lands embraced by United States oil and gas leases Santa Fe 065546(b) and Santa Fe 078715 in order to form a cooperative drilling unit of 160 acres, substantially in the shape of a square, embracing the SE $\frac{1}{4}$ of Section 29, Township 28 North, Range 10 West, in San Juan County, New Mexico.
2. That Petitioner has been named and designated in said communitization agreement as Operator of the drilling unit.
3. That said lands are within the designated Pictured Cliff gas producing pool in the Kutz Canyon-Fulcher Basin area.
4. That because of the rugged terrain of a feasible location on the drilling unit it is desirable to locate the well 200 feet West of the boundary specified in Section 1(c) which, if permitted, will save Petitioner and its associates approximately \$1800 in location cost plus substantial operating cost.

5. That the proposed location for said well is 1650 feet North of the South line and 1850 feet West of the East line of Section 29, Township 28 North, Range 10 West, N.M.P.M., said location being 990 feet South of the North line and 790 feet East of the West line of the unit above described (a plat of the proposed location is attached hereto as Exhibit "A").

6. That the 160 acre drilling unit adjoining the western boundary of the unit hereinabove described is also held under the oil and gas leases and by the parties referred to in paragraph 1 of this petition.

7. That Section 2(c) of Order No. 748 authorizes the Commission to permit a drilling location not conforming to the requirements of Section 1 of said Order if it finds that because of the nature of the terrain, location of a well at a lesser distance from one of the outer boundaries of its drilling unit should be permitted.

WHEREFORE, Petitioner requests that the Commission, after notice and hearing as required by law and applicable regulations, enter its order granting permission to drill a well for oil and/or gas at the location above set forth.

Petitioner hereby offers to supply such additional information concerning the subject matter of this application as is available to it.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY

By J. C. Bess
Vice President

A T T E S T:

J. V. McCreary
Secretary

VERIFICATION

STATE OF TEXAS)
COUNTY OF DALLAS)

Before me, a Notary Public in and for Dallas County, Texas, personally appeared J. C. Herd, Vice President of SOUTHERN UNION PRODUCTION COMPANY, a corporation, well known to me to be such person and officer, and he upon oath duly administered stated that he had read the foregoing petition and that the facts therein set forth are true and correct to the best of his information and belief, and that he had executed such petition on behalf of said corporation as its free and voluntary act and deed, pursuant to due authorization.

J. C. Herd

Sworn to and subscribed before me this 4th day of March, 1949, to certify which witness my hand and seal of office.

Pauline Paula Watt
Notary Public in and for
Dallas County, Texas

My Commission Expires 6-1-49

EXHIBIT A

Company Southern Union Production Co.

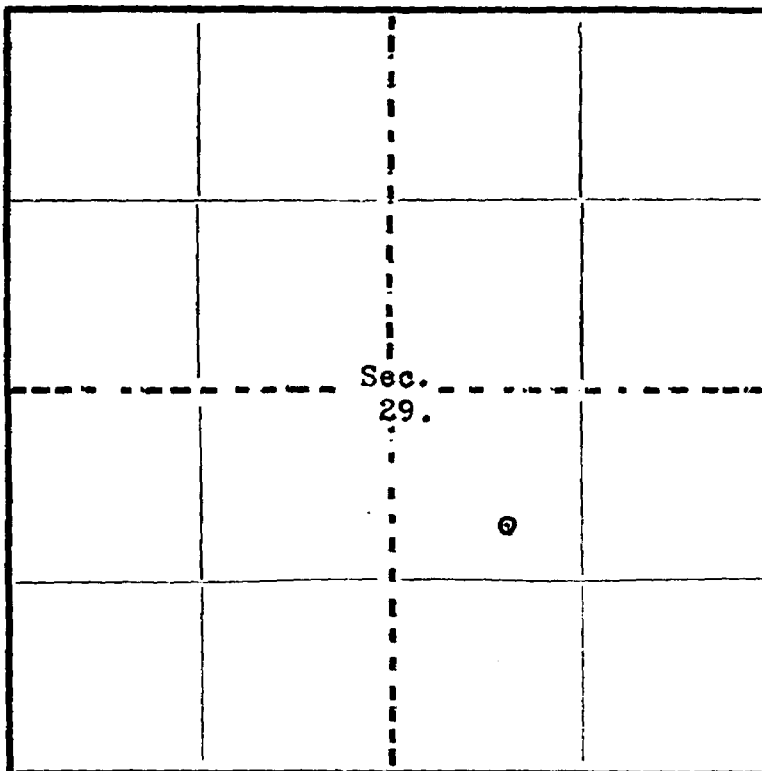
Lease _____ Well No. _____

Sec. 29. T. 28. N., R. 10. W., N.M.P.M.

Location 1650' West & 1650' North from SE Cor. Sec. 29.

Being in the NW¹ SE¹ of section 29.
San Juan County New Mexico

Natural surface elevation is 6024.1



Scale—4 inches equals 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

H. H. Miller
Registered Professional
Engineer and Land Surveyor.

Farmington, New Mexico

Surveyed February 2, 1949.