

NEW MEXICO OFFICE CEC

RECEIVED 10 APR 1958

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF the Application of
PACIFIC NORTHWEST PIPELINE CORPORATION
for the approval of unorthodox gas
proration units consisting of
Lots 1 and 2 and the $S\frac{1}{2}$ $SE\frac{1}{4}$ of Fractional
Section 8 and the $E\frac{1}{2}$ $E\frac{1}{2}$ of Section 17,
Township 32 North, Range 11 West, NMPM,
containing approximately 328.2 acres, and
the $E\frac{1}{2}$ $W\frac{1}{2}$ and the $W\frac{1}{2}$ $E\frac{1}{2}$ of Section 17,
Township 32 North, Range 11 West, NMPM,
consisting of approximately 320 acres,
all in Township 32 North, Range 11 West,
NMPM, San Juan County, New Mexico.

No. NWU-168

due & issue 2/16/58

PNW Cox Canyon
Unit No. 7-17

Unit E 17-32N-11W
San Juan

APPLICATION

I

Pacific Northwest Pipeline Corporation is a Delaware
corporation authorized to do business in the State of New
Mexico with offices in the Simms Building, Albuquerque, New
Mexico, and is the present owner and holder of gas rights
under Federal Oil and Gas Leases bearing serial numbers:

NM 03189 (as to the lands above described in Section 8)

NM 03190 (as to the lands above described in Section 17)

II

That heretofore the Commission in Cause No. 786 has
approved the application of Great Western Drilling Company by
its order entered in said cause establishing a non-standard
gas proration unit consisting of lots 3 and 4 and the $S\frac{1}{2}$ $SE\frac{1}{4}$
of Fractional Section 8 and the $W\frac{1}{2}$ $W\frac{1}{2}$ of Section 17, all in
Township 32 North, Range 11 West, said non-standard gas proration
unit being adjacent to a portion of the lands described in this

application, and that a well has been drilled by Great Western Drilling Company at a location approximately 990 feet from the south and west lines of said Section 17 as shown on Exhibit "A" attached hereto and made a part hereof.

III

That Order R-110 entered by this Commission establishes 320 acre well spacing for production of gas from the Mesa Verde Formation in San Juan County, New Mexico.

IV

That applicant desires to drill gas wells on said non-standard units, such wells to be located respectively 1389 feet from the south line and 1309 feet from the east line of said fractional Section 8 (lots 1 and 2 and $3\frac{1}{2}$ SE $\frac{1}{4}$), and 1540 feet from the north line and 2430 feet from the east line of Section 17, said proposed locations being indicated on Exhibit "A" attached hereto.

V

That this application is made pursuant to the suggestion of the Secretary Director of the Commission contained in his letter to applicant dated January 5, 1956 with reference to the 1956 plan of development proposed for the Cox Canyon Unit Area by applicant as Unit Operator.

VI

That the creation of the unorthodox spacing units proposed herein is necessary in order that applicant will not be deprived of its opportunity to recover its just and equitable share of gas in the gas pool underlying the tracts of land which applicant seeks to have included within the proposed spacing units as described herein.

VII

Applicant states that the consent of the United States Geological Survey has been obtained to the creation of the unorthodox spacing units proposed herein, as has the consent of Great Western Drilling Company and Pubco Development Inc., owners of interest in lands adjacent to the proposed spacing units other than the applicant herein, such consents being indicated by Exhibits "B", "C" and "D" attached hereto and made a part hereof.

VIII

That applicant respectfully requests an examiner hearing on this application as soon as possible.

Respectfully submitted,

PACIFIC NORTHWEST PIPELINE CORPORATION

By James E. Sperling
One of its Attorneys

SIMMS & MODRALL
Simms Building
Albuquerque, New Mexico.

EXHIBIT "B"

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

February 10, 1956

Pacific Northwest Pipeline Corporation
Simms Building
Albuquerque, New Mexico

Attention: Mr. R. N. Richs

Gentlemen:

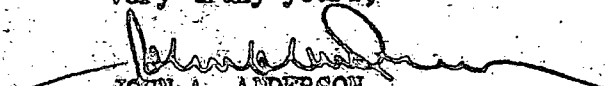
Your plan of development dated December 30, 1955, for the Cox Canyon Unit Area, New Mexico, for the calendar year 1956 has been approved on this date subject to like approval by the appropriate State of New Mexico officials and subject to the following provisions:

1. The NE $\frac{1}{4}$ sec. 20, T. 32 N., R. 11 W., lying within the Cox Canyon unit area shall be communitized with the NW $\frac{1}{4}$ sec. 20, T. 32 N., R. 11 W., lying outside the unit area to form a 320-acre drilling block.
2. Approval shall be obtained from the New Mexico Oil Conservation Commission for the establishment of two unorthodox spacing units consisting of (a) the SE $\frac{1}{4}$ sec. 8 and the E $\frac{1}{2}$ sec. 17, T. 32 N., R. 11 W., and (b) the E $\frac{1}{2}$ sec. 17, and the W $\frac{1}{2}$ sec. 17, T. 32 N., R. 11 W.

The locations given me informally by Mr. Donald L. Anderson of your office on February 7 for the wells to be drilled on the non-standard gas proration units listed in the foregoing appear satisfactory. The well on unit (a) is to be 1389 feet from the south line and 1309 feet from the east line of sec. 8. The well on unit (b) is to be 1540 feet from the north line and 2430 feet from the east line of sec. 17.

One copy of the approved plan is enclosed.

Very truly yours,


JOHN A. ANDERSON
Regional Oil & Gas Supervisor

Enclosure

EXHIBIT "B"



R. C. TUCKER, PRES

February 6, 1956

PHONE 2-5241
ADDRESS REPLY TO:
BOX 1859
MIDLAND, TEXAS

Re: Cox Canyon Unit Area
Application for Non-Standard
Gas Pro-Ration Units

Pacific Northwest Pipeline Corporation
Simms Building
Albuquerque, New Mexico

Attention: Donald L. Anderson, Land Department

Gentlemen:

This is to advise that it is agreeable with Great Western Drilling Company for you to establish two (2) unorthodox spacing units in the Cox Canyon Unit provided that it is also agreeable with Pubco Development, Inc. Said units to consist of the following described acreage:

Township 32 North, Range 11 West
Section 8: SE/4
Section 17: E/2 E/2

proposed location 1389' from South line and 1309' from East line of Section 8; and

Township 32 North, Range 11 West
Section 17: E/2 W/2 and W/2 E/2

proposed location 1540' from North line and 2430' from East line of Section 17.

Yours very truly,

GREAT WESTERN DRILLING COMPANY

W. L. Brown
Land Department

WSLB:mc

cc: Pubco Development, Inc.
P. O. Box 1416
Albuquerque, New Mexico

EXHIBIT "D"

PUBCO DEVELOPMENT, INC.

BOX 1419

ALBUQUERQUE, NEW MEXICO

February 7, 1956

TELEPHONE 7-8836
7-8837

Re: Non-Standard Gas Proration
Units-Cox Canyon Unit Area

Pacific Northwest Pipeline Corporation
Simms Building
Albuquerque, New Mexico

Attention: Mr. Donald L. Anderson

Gentlemen:

By letter of February 6, 1956, you have advised that you wish to make application for the establishment for the following two unorthodox spacing units:

- (a) Township 32 North, Range 11 West
Section 8: $SE\frac{1}{4}$
Section 17: $E\frac{1}{2}E\frac{1}{2}$
- (b) Township 32 North, Range 11 West
Section 17: $E\frac{1}{2}W\frac{1}{2}, W\frac{1}{2}E\frac{1}{2}$

You also advised that the following well locations are proposed on these units:

Well #7 - Township 32 North, Range 11 West,
Sec. 17: 1540' from North line, 2430' from
East line.

Well #8 - Township 32 North, Range 11 West,
Sec. 8: 1389' from South line, 1309' from
East line.

This is to advise that this Company has no objections to these non-standard gas units and the locations proposed to be drilled upon them.

Extra copies of this letter are furnished for inclusion with your application to the Oil and Gas Conservation Commission.

Very truly yours,

F. G. Daniell
Land Manager

FGD:tp

cc: Great Western Drilling Company

EXHIBIT "D"