

PETROLEUM ADMINISTRATION FOR WAR

SUITE 245, MELLIE ESPERSON BUILDING

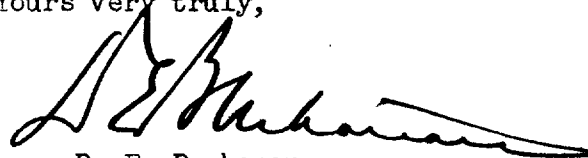
HOUSTON, TEXAS

July 1, 1943.

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

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

Yours very truly,

A handwritten signature in dark ink, appearing to read 'D. E. Buchanan', with a long, sweeping horizontal stroke extending to the right.

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

PETROLEUM ADMINISTRATION FOR WAR

SUITE 245, MELLIE ESPERSON BUILDING

HOUSTON, TEXAS

July 6, 1943.

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

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

Yours very truly,

A handwritten signature in cursive script, reading "D. E. Buchanan".

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

CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 9, 1943

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

Dear Van:

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

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

With kindest personal regards.

Very truly yours,

John M. Kelly
Director

JMK:MS

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SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

June 30, 1943

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

Dear John:

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

Please advise the present status of this petition.

Yours very truly

Van Thompson
Van Thompson

VT:ar

*sent reply order to M.L. Mayfield P.O. 6-29-43
with copy to Van Thompson.*

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

June 29, 1943

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

Dear Mr. Mayfield:

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

Very truly yours,

Secretary to
John M. Kelly
Director.

cc Van Thompson

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L CONSERVATION COMMISSIO
SANTA FE, NEW MEXICO

June 28, 1943

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

Re: Case No. 40, Order No. 541

Dear Mr. Buck:

This is to certify that the above captioned attached order establishing 100 acre spacing for gas wells in the Fulcher Basin Field, San Juan County, is a true copy of such order promulgated by the New Mexico Oil Conservation Commission on June 22, 1943.

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

CBL:MS
cc Clyde Parrish

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CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

June 23, 1943

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

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

My dear Judge Kiker:

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

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

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IL CONSERVATION COMMISSIO.
SANTA FE, NEW MEXICO

May 14, 1943

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

Dear Van:

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

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

Very truly yours,

John M. Kelly
Director.

JMK:MS

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SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

May 5, 1943

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

Dear John:

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

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

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

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

Yours very truly



Van Thompson

VT:er

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

April 8, 1943

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

Re: Case No. 40 - 160 acre gas well spacing
within Fulcher Basin Field.

Dear Mr. Reid:

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

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

CEB:MS

cc H. A. Kiker
Santa Fe

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SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

February 17, 1943

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

Attention: Mr. John M. Kelly

Gentlemen:

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

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

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

A map of the area described is attached.

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

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

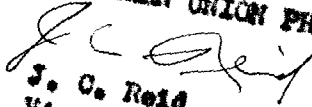
New Mexico Oil Conservation Commission

February 17, 1943

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

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY


J. C. Reid
Vice President

JCR:ar

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

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

March 9, 1943

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

Attention: Mr. John M. Kelly

Gentlemen:

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

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

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY


Van Thompson

VT:ar
Enc. - 2

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

C B L

PETROLEUM ADMINISTRATION FOR WAR

SUITE 245, MELLIE ESPERSON BUILDING

HOUSTON, TEXAS

February 8, 1943.

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

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

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

Gentlemen:

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

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

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

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

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

Your comments will be appreciated.



Very truly yours,

[Handwritten signature of D. E. Buchanan]

D. E. Buchanan

District Director of

Natural Gas and Natural Gasoline Division.

Enclosure 984

cc: Mr. E. A. Hanson.

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

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

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

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

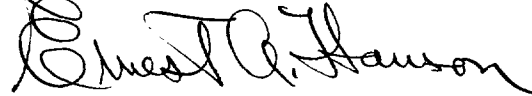
Conservation Order M-68 limits the use of materials for gas wells to one well per 640 acre drilling unit. An approved exception to the order must be obtained before drilling may be permitted on a smaller unit. In April 1942, Carroll and Cornell were granted an exception to drill gas wells on 160 acre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

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



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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ernest A. Hanson".

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

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

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

February 17, 1943

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

Dear Mr. Kelly

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

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

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY



Van Thompson

VT:ar

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

February 24, 1943

Southern Union Production Company
Burt Building
Dallas, Texas

Attention: Van Thompson

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

Dear Mr. Thompson:

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

Very truly yours,

John M. Kelly
Director

By

Chief Clerk & Legal Advisor

CHL:MS

SOUTHERN UNION PRODUCTION COMPANY

Dallas, Texas
1104 Burt Building
February 17, 1943

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

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

Dear Mr. Poe:

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

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

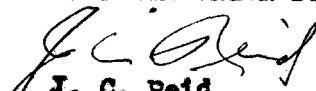
On the recommendation of the U. S. Geological Survey in Roswell, New Mexico, we wish to further amend this application so that the well can be located in the Center of this NE $\frac{1}{4}$ of Section 3, Township 29 North, Range 12 West. This will place the well in the exact Center of the 160-acre tract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

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

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

Yours very truly

SOUTHERN UNION PRODUCTION COMPANY


J. C. Reid
Vice President

JCR:ar

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

Office of Petroleum Coordinator
Houston, Texas