

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 40

ORDER NO. 541

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

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

IT IS THEREFORE ORDERED:

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

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

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


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

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

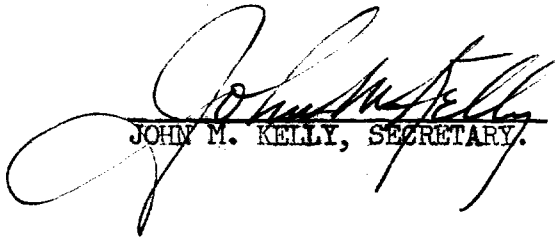
4. This Order shall become effective on the 22nd day of June, 1943, and shall continue for the duration of the present war and for six months thereafter.

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

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN M. KELLY, SECRETARY.

SEAL

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

In the Matter of the Application of)
the Southern Union Production Company)
for 160 acre spacing for gas wells in)
the Fulcher Basin Field defined for)
the purpose of said application to)
consist of the following lands:)
Sections 34 and 35, Township 30 North,) Case No. 40.
Range 12 West, N.M.P.M. Sections 1,)
2, 3, E $\frac{1}{2}$ 10, 11, 12 and 13, Township)
29 North, Range 12 West, N.M.P.M.)
Sections 7, 17, 18, 19, 20 and 21,)
Township 29 North, Range 11 West,)
N.M.P.M.)

AMENDED APPLICATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Law Thompson
Superintendent of Production

KIKER & SANCHEZ

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