

TIOGA PETROLEUM CORPORATION

310 MERCANTILE COMMERCE BUILDING

CRITCHELL PARSONS
PRESIDENT

PROSPECT-7332

DALLAS 1, TEXAS

February
6th
1952

E #2
Case 367

REGISTERED
RETURN RECEIPT REQUESTED
AIR MAIL

Mr. Basilio Larcher
Rural Route
Aztec, New Mexico

Dear Sir:

We have recently agreed, through negotiation with Mr. Wayne Moore of Midland, Texas, to commence a well before March 1st, located in the North Half of Section 18, Township 31 North, Range 10 West, San Juan County, New Mexico. We propose to drill this well to test the Mesa Verde at approximately 5500 feet. Furthermore, we have contacted Stan-olind Oil and Gas Company, who own leases in the North Half of Section 18, Township 31 North, Range 10 West, with reference to unitization which will comprise a 320-acre unit as set out by the State of New Mexico for the drilling of gas wells in this area.

It is our understanding that within this unit you own a 59-acre tract of land, which is unleased. The purpose of this letter is to ascertain whether or not you desire to participate in an unitization agreement for the drilling of this well.

Will you please let us hear from you at your earliest convenience.

Yours very truly,

TIOGA PETROLEUM CORPORATION

Oscar E. Walton

Oscar E. Walton

OEW/rhg

| DOMESTIC SERVICE | |
|---|--------------|
| Check the class of service desired; otherwise this message will be sent as a full rate telegram | |
| FULL RATE TELEGRAM | SERIAL |
| DAY LETTER | NIGHT LETTER |

WESTERN UNION

1206

| INTERNATIONAL SERVICE | |
|--|-----------------|
| Check the class of service desired; otherwise this message will be sent at the full rate | |
| FULL RATE | LETTER TELEGRAM |
| VICTORY LETTER | SHIP RADIOGRAM |

W. P. MARSHALL, PRESIDENT

| NO. WDS.-CL. OF SVC. | PD. OR COLL. | CASH NO. | CHARGE TO THE ACCOUNT OF | TIME FILED |
|----------------------|--------------|----------|-----------------------------|------------|
| | | | Oil Conservation Commission | |

Send the following message, subject to the terms on back hereof, which are hereby agreed to

SANTA FE, N. M. APRIL 7, 1952

**VAN THOMPSON
SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS, TEXAS**

**RE NO. 1 McCOY SENE 18-31N-10W CANNOT APPROVE UNORTHODOX
LOCATION FOR TWO REASONS. YOU MUST HAVE HEARING TO
UNITIZE (SEE ORDER R-110) AND YOU DO NOT INDICATE OFFSET
ACREAGE OWNERSHIP.**

R. R. SPURRIER

EXPLORATION DEPARTMENT
VAN THOMPSON
MANAGER

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

April 3, 1952

Re: Southern Union Gas Company-
Beaver Lodge Corp., ' No. 1
McCoy Unit well (SE $\frac{1}{4}$ NE $\frac{1}{4}$ 18-31N-10W.)

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

Dear Dick:

Attached are five copies each of surveyor's plat and "notice of intention to drill" Southern Union Gas Company- Beaver Lodge Corp., 's McCoy Unit No. 1 well, located 1910' south and 1650' east of the NW corner of the NE $\frac{1}{4}$ of section 18, T-31-N., R-10-W., N.M.P.M., Blanco-LaPlata field, San Juan County, New Mexico. *RCO*

You will note that the well location is unorthodox for the reason that if spotted in the usual location it would be in the river as indicated by the attached sketch prepared by the surveyor. It is my understanding that this location was discussed with Mr. Greer and has his approval as being the only possible location under the circumstances.

The well is located on a pooled unit of fee lands embracing all of the N $\frac{1}{2}$ of section 18, (except those lands owned by Basilio Larcher) containing 267.76 acres more or less. Southern Union Gas Company made every possible effort to lease the property owned by Basilio Larcher and failing to lease endeavored to persuade him to join the pooling agreement as a working interest owner. He refused to do either. We are enclosing an affidavit signed by William R. Clark and H. C. Montgomery, employees of Southern Union Gas Company, and Al Greer of the New Mexico Oil Conservation Commission staff, stating their contacts with Mr. Larcher with reference to the formation of the pooled unit.

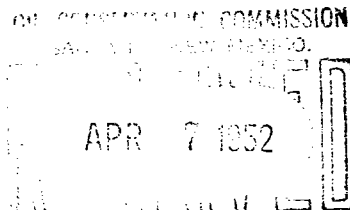
We trust that the foregoing explanation will permit the early approval of this drilling location as one of the leases involved carries a May 1, 1952 drilling commitment.

Please wire us collect when the location has been approved.

Yours very truly,

Van Thompson
Van Thompson

VT/ba
Attachments - 11
cc: Al Greer
N.M. Oil Conservation Commission
Aztec, N.M.



OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

April 7, 1952

C
O
P
Y

Mr. Van Thompson
Southern Union Gas Company
Dallas, Texas

Re: Southern Union Gas Company -
Beaver Lodge Corp. ' No. 1
McCoy Unit (SE NE 18-31N-10W)

Dear Van:

I have just sent you a telegram to explain that you cannot locate your No. 1 McCoy, SE NE 18-31N-10W until I have knowledge of the offset operators and their written consent, i. e., if offset operators are other than Southern Union.

Secondedly, you cannot be granted administrative permission to drill on less than 320 acres without proper notice and open hearing. You could, of course, make the location after you have complied with the requirements of Rule 104 and hold your lease by spudding in. However, it would be Southern Union's responsibility to apply for the hearing to force unitization, and it would be your risk in rigging up and spudding in without an order to force pooling.

Incidentally, Mr. Greer acted completely without jurisdiction in attempting to cause the Larchers to communitize with Southern Union. The matter is strictly between Southern Union and Mr. Larcher until it is brought before the Commission by proper application for hearing.

Very truly yours,

RRS:W

Secretary and Director

cc: Al Greer

207

SOUTHERN UNION GAS COMPANY

BURT BUILDING
DALLAS 1, TEXAS

LEGAL DEPARTMENT
WILLIS L. LEA, JR.
GENERAL ATTORNEY

A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.
MILLARD F. CARR

April 12, 1952

AIR MAIL
SPECIAL DELIVERY

APR 12 1952
RECEIVED
LEGAL DEPARTMENT

Mr. William Macey
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Macey:

In accordance with our telephone conversation yesterday, I am enclosing two copies of our application for a hearing on the unorthodox well location in the $N\frac{1}{2}$ of Section 18, Township 31 North, Range 10 West, N.M.P.M. and our request for an exception to the Blanco-La Plata field spacing order to permit the drilling of a Mesa Verde well on a unit containing less than 320 acres.

This application has been prepared rather hurriedly and it may be that we will want to make some minor changes after I discuss the matter with you on Monday. Of course, what I am interested in is that if we are permitted to drill on the 267.76 acres leased to Southern Union, Beaver Lodge and Stanolind it will mean that Larcher would, if permitted to drill on his 55-acre tract, receive only 55/320ths of the gas producible therefrom.

I greatly appreciate your assistance in this matter and the setting of this hearing for April 28, since it is imperative that we proceed with the well on or about such date to prevent lapse of one or more oil and gas leases in the $N\frac{1}{2}$. I am hopeful that the Pioneer will be on schedule, and I will give you a ring as soon as I arrive at the hotel, which will probably be about 1:30.

Again with thanks and best personal regards, I am

Yours very truly,

W. L. Lea

QBD:nl
Encs.

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

April 14, 1952

Mr. Basilio Larcher
AZTEC, NEW MEXICO

Dear Sir:

We attach a copy of the legal notice which has been issued today for publication in relation to Case 367, set to be heard April 28, 1952, at 9 a.m., before the Oil Conservation Commission.

We believe that the notice will be self-explanatory, and this copy may be considered your proper notice as required by rules and regulations of the Commission.

Very truly yours,

W B Macey
W. B. Macey, Chief Engineer

WBM:nr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 5, 1952

**Mr. Guilman Davis
Southern Union Gas Company
Burt Building
Dallas, Texas**

Dear Sir:

RE: OCC Case 367

**We attach a signed copy of Order R-65 which was signed on
June 19, 1952, in Case 367.**

Very truly yours,

**W. B. Macey
Chief Engineer**

WBM:mr