

Case 1077740

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SOUTHERN UNION GAS COMPANY

BURT BUILDING
DALLAS 1, TEXAS

LEGAL DEPARTMENT
WILLIS L. LEA, JR.
GENERAL ATTORNEY

A.S. GRENIER
MILLARD F. CARR
EDWARD G. TAYLOR
JACK HERTZ

July 12, 1955

New Mexico Oil Conservation Commission
Santa Fe
New Mexico

Gentlemen:

Enclosed herewith in triplicate are two applications by subsidiaries of Southern Union Gas Company for approval of unorthodox drilling and gas proration units in San Juan County, New Mexico.

Attached to the applications are copies of the various letters of notification which are being sent out today by registered mail to the offset operators.

Assuming that a hearing will be necessary on each of these matters, we would like to have them consolidated for hearing on as early a date as possible.

Very truly yours,

A.S. Greiner

ASG:nb
encls.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
ANGELS PEAK OIL COMPANY FOR AN ORDER)
GRANTING APPROVAL OF AN EXCEPTION TO)
RULE 6(A) OF THE SPECIAL RULES AND REG-)
ULATIONS FOR THE FULCHER KUTZ-PICTURED)
CLIFFS GAS POOL IN ESTABLISHMENT OF A)
NON-STANDARD DRILLING AND GAS PRORATION)
UNIT OF 190.89 CONTIGUOUS ACRES CONSIST-)
ING OF THE $W\frac{1}{2}$ AND THE $W\frac{1}{2}$ OF THE $E\frac{1}{2}$ OF)
FRACTIONAL SECTION 12, TOWNSHIP 28 NORTH,)
RANGE 11 WEST, N.M.P.M., SAN JUAN COUNTY,)
NEW MEXICO.)

CASE NO. 737

APPLICATION

Angels Peak Oil Company (herein referred to as "Applicant"), a New Mexico corporation with its principal place of business in the Burt Building, Dallas 1, Texas, hereby makes application to the Commission for an order granting approval of an exception to Rule 6(A) of the Special Rules and Regulations for the Fulcher Kutz-Pictured Cliffs Gas Pool, promulgated by the Commission in its Order No. R-565, as amended, in establishment of the revised non-standard drilling and gas proration unit described hereinbelow; and in support of such application Applicant respectfully states and shows the following:

(1) The revised non-standard drilling and gas proration unit for which approval is sought herein consists of 190.89 contiguous surface acres substantially in the form of a rectangle, and consists of the $W\frac{1}{2}$ and the $W\frac{1}{2}$ of the $E\frac{1}{2}$ of fractional Section 12, Township 28 North, Range 11 West, N.M.P.M., San Juan, New Mexico.

(2) The non-standard size of the tract is due to a variation in legal subdivision of the U. S. Public Lands Surveys.

(4) The present drilling and gas proration unit for the aforesaid well, as established by the Commission's Administrative Order NWU-5, dated March 15, 1955, consists of the W $\frac{1}{2}$ of the aforesaid Section 12 and contains 127.48 acres. The well presently located thereon, however, is capable of producing the full allowable which would be granted to it on the basis of the 190.89 acre gas proration unit herein proposed. In the opinion of Applicant, the drilling of more than one well on the lands allocated to the proposed revised unit is not economically justified, and the present well is capable of efficiently and economically draining the entire area of said unit.

(5) In the opinion of Applicant, the entire revised non-standard drilling and gas proration unit proposed herein may reasonably be presumed to be productive of gas from the Pictured Cliffs Formation.

(6) So far as is known to Applicant, the only operators other than Applicant owning an interest in any of the acreage offsetting the proposed unit are as follows:

Congress Oil Company
Burt Building
Dallas 1, Texas

Aztec Oil & Gas Company
920 Mercantile Securities
Building
Dallas 1, Texas

Attached hereto are true and complete copies of letters mailed today under registered cover to each of the aforesaid operators. As to the $W\frac{1}{2}$ of the $SW\frac{1}{4}$ of Section 36, Township 29 North, Range 11 West, Applicant is advised that these are state lands which are being offered for lease as a part of Tract No. 0-24 at the sale of July 19, 1955. Promptly following said lease sale on July 19, 1955, Applicant will deliver a copy of this application by registered mail to the successful bidder on said lands.

WHEREFORE, premises considered, Applicant prays that the Commission, after such hearing and upon such notice as the Commission may direct, issue its order granting approval of the revised non-standard drilling and gas pro-ration unit herein proposed.

Respectfully submitted,

ANGELS PEAK OIL COMPANY

By

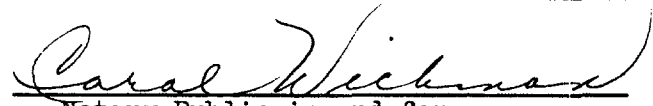

President 

THE STATE OF TEXAS)
COUNTY OF DALLAS)

Scott Hughes, being first duly sworn, hereby states that he is President of Angels Peak Oil Company, the Applicant in the foregoing application; that as such officer he has executed said application on behalf of Angels Peak Oil Company; that he has read said application and, to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct.


Scott Hughes

SWORN TO AND SUBSCRIBED before me, the undersigned authority, this 13th day of July, 1955.


Notary Public in and for
Dallas County, Texas.

CAROL WICHMAN

Notary Public, Dallas County, Texas:

My Commission Expires June 1, 1957