

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
ANGELS PEAK OIL COMPANY AND CONGRESS )  
OIL COMPANY FOR AN ORDER GRANTING AP- )  
PROVAL OF AN EXCEPTION TO RULE 6(A) OF )  
THE SPECIAL RULES AND REGULATIONS FOR )  
THE FULCHER KUTZ-PICTURED CLIFFS GAS )  
POOL IN ESTABLISHMENT OF A NON-STANDARD )  
DRILLING AND GAS PRORATION UNIT OF )  
192.97 CONTIGUOUS ACRES CONSISTING OF )  
THE E $\frac{1}{2}$  OF THE E $\frac{1}{2}$  OF FRACTIONAL SECTION )  
12, TOWNSHIP 28 NORTH, RANGE 11 WEST, )  
AND THE W $\frac{1}{2}$  OF FRACTIONAL SECTION 7, )  
TOWNSHIP 28 NORTH, RANGE 10 WEST, )  
N.M.P.M., SAN JUAN COUNTY, NEW MEXICO. )

CASE NO. 940

APPLICATION

Angels Peak Oil Company (herein referred to as "Angels Peak"), a New Mexico corporation with its principal place of business in the Burt Building, Dallas 1, Texas, and Congress Oil Company (herein referred to as "Congress"), a Colorado corporation with its principal place of business at the same address as Angels Peak, hereby make 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 non-standard drilling and gas proration unit described herein below; and in support of such application Angels Peak and Congress respectfully state and show the following:

- (1) The non-standard drilling and gas proration unit for which approval is sought herein consists of 192.97 contiguous surface acres substantially in the form of a rectangle, and consists of the E $\frac{1}{2}$  of the E $\frac{1}{2}$  of fractional Section 12,

Township 28 North, Range 11 West, and the  $W\frac{1}{2}$  of fractional Section 7, Township 28 North, Range 10 West, N.M.P.M., San Juan County, 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.

*well has been drilled by Angels Peak Oil Co. under tract No. 19*  
(3) Although no well has yet been drilled on the proposed unit, it is the opinion of Angels Peak and Congress that *the entire non-standard drilling and gas proration unit applied R 11W, NMPM, San Juan County, New Mexico.* the entire non-standard drilling and gas proration unit applied for herein may reasonably be presumed to be productive of gas from the Pictured Cliffs Formation.

(4) In the opinion of Angels Peak and Congress, the drilling of more than one well on the land allocated to the proposed unit will not be economically justified.

(5) Angels Peak is the owner of the leasehold interest in the  $E\frac{1}{2}$  of the  $E\frac{1}{2}$  of Section 12, Township 28 North, Range 11 West, and Congress is the owner of the leasehold interest in the  $W\frac{1}{2}$  of Section 7, Township 28 North, Range 10 West. In the event this application is approved by the Commission, Angels Peak and Congress are prepared to enter into communitization and operating agreements in standard form, constituting the non-standard drilling and gas proration unit herein proposed as a communitized unit and designating Congress as the operator thereof.

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

A. J. Flagg  
4397 Detroit Avenue  
Oakland, California

Charles T. Campbell  
450 Holmes Street  
Bettendorff, Iowa

Harry Cooley and  
Doris M. Cooley  
1920 Kendall Avenue  
Madison 5, Wisconsin

Robert Mims  
1105 Reserve Loan  
Life Building  
Dallas, Texas

The Texas Company  
P.O. Box 1720  
Fort Worth, Texas

Kutz Canon Oil and  
Gas Company  
U. S. National Bank Bldg.  
Denver, Colorado

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, Angels Peak and Congress are 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, Angels Peak and Congress will deliver a copy of this application by registered mail to the successful bidder on said lands.

WHEREFORE, premises considered, Angels Peak and Congress pray that the Commission, after such hearing and upon such notice as the Commission may direct, issue its order granting approval of the non-standard drilling and gas proration unit herein proposed.

Respectfully submitted,

ANGELS PEAK OIL COMPANY

By

  
President

CONGRESS OIL COMPANY

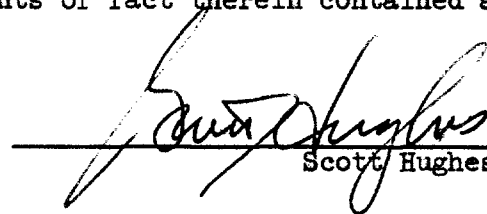
By

  
President


asg

THE STATE OF TEXAS )  
COUNTY OF DALLAS )

Scott Hughes, being first duly sworn, hereby states that he is President of Angels Peak Oil Company, one of the applicants 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

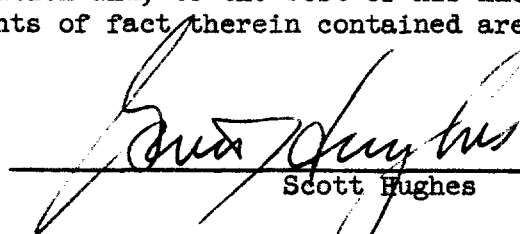
SWORN TO AND SUBSCRIBED before me, the undersigned authority, this 12th day of July, 1955.

  
Notary Public in and for  
Dallas County, Texas.


CAROL WICHMAN  
Notary Public, Dallas County, Texas  
My Commission Expires June 1, 1957

THE STATE OF TEXAS )  
COUNTY OF DALLAS )

Scott Hughes, being first duly sworn, hereby states that he is President of Congress Oil Company, one of the applicants in the foregoing application; that as such officer he has executed said application on behalf of Congress 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 15th 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