

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 15, 1955

Oil & Gas Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith in triplicate is application of Southern Union Gas Company for approval of an unorthodox drilling and gas proration unit in the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico.

Attached to the application is a copy of the letter of notification which is being sent out today by registered mail to Aztec Oil & Gas Company, the only offset operator other than ourselves.

Although no definitive rules have yet been adopted by the Commission regarding proceedings before hearing examiners, we would have no objection to having this matter heard by a hearing examiner, rather than by the full Commission, if hearing is deemed necessary.

Very truly yours,



ASG:mf
Encls.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
SOUTHERN UNION GAS COMPANY FOR AN OR-)
DER GRANTING APPROVAL OF AN EXCEPTION)
TO RULE 6(A) OF THE SPECIAL RULES AND)
REGULATIONS FOR THE AZTEC-PICTURED)
CLIFFS GAS POOL IN ESTABLISHMENT OF)
A NON-STANDARD DRILLING AND GAS PRORA-)
TION UNIT OF 193.75 CONTIGUOUS ACRES)
CONSISTING OF THE $E\frac{1}{2}$ OF THE $E\frac{1}{2}$ OF)
FRACTIONAL SECTION 9 AND THE $W\frac{1}{2}$ OF)
FRACTIONAL SECTION 10, TOWNSHIP 28)
NORTH, RANGE 10 WEST, N.M.P.M., SAN)
JUAN COUNTY, NEW MEXICO.)

CASE NO. 952

APPLICATION

Southern Union Gas Company (herein referred to as "Applicant"), a Delaware 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 Aztec-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 hereinbelow; and in support of such application Applicant respectfully states and shows the following:

(1) The non-standard drilling and proration unit for which approval is sought herein consists of 193.75 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 9 and the $W\frac{1}{2}$ of fractional Section 10, 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.

(3) The recently completed well for which it is requested that the above described acreage be the drilling and gas proration unit is the Southern Union-Zachry #11, which well is located 990 feet north of the south line and 990 feet east of the west line of the aforesaid Section 10.

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

(5) In the opinion of Applicant, the drilling of more than one well on the land allocated to the proposed unit is not economically justified, and the well presently located thereon is capable of efficiently and economically draining the entire area of said unit.

(6) So far as is known to Applicant, the only operator other than Applicant owning an oil and gas leasehold interest in any of the acreage offsetting the proposed unit is Aztec Oil and Gas Company, 920 Mercantile Securities Building, Dallas 1, Texas. Attached hereto is a copy of the letter of notification mailed today by Applicant under registered cover to Aztec Oil and Gas Company.

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 non-standard drilling and gas proration unit herein proposed.

Respectfully submitted,

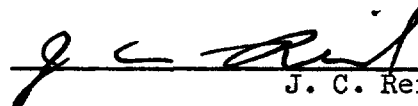
SOUTHERN UNION GAS COMPANY

By



Executive Vice President

THE STATE OF TEXAS)
COUNTY OF DALLAS)

J. C. Reid, being first duly sworn, hereby states that he is Executive Vice President of Southern Union Gas Company, the Applicant in the foregoing application; that as such officer he has executed said application on behalf of Southern Union Gas 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.


J. C. Reid

SWORN TO AND SUBSCRIBED before me, the undersigned authority, this 15th day of July, 1955.


Notary Public in and for
Dallas County, Texas.

ETHEL L. KERR
Notary Public Dallas County, Texas
My Commission expires June 1, 1957