

Case # 977

MAGNOLIA PETROLEUM COMPANY

A SOCONY MOBIL COMPANY

LEGAL DEPARTMENT

EARL A. BROWN
GENERAL COUNSEL
ROY C. LEDBETTER
RAYMOND M. MYERS
CHAS. B. WALLACE
R. T. WILKINSON, JR.
FRANK C. BOLTON, JR.
JACK VICKREY
SAM H. FIELD
ROSS MADOLE
FLOYD B. PITTS
ROY L. MERRILL
ALBERT E. AIKMAN
JACK E. EARNEST
ASSISTANTS

P. O. BOX 900
DALLAS 21, TEXAS

November 11, 1955

Re: Case No. 977 - Application of Southern Union Gas Co. for Designation of Certain Area as the Tapicito-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico and Establishment of a Temporary 320 Acre Drilling Unit

Mr. W. B. Macey, Secretary
New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Dear Mr. Macey:

I had planned on being present at the hearing in the above case and going on record in behalf of Magnolia Petroleum Company in support of this application. Other matters make it impossible for me to be present.

Will you please enter this letter in behalf of Magnolia in support of the above application, including the designation of the limits of the pool and the establishment of a temporary 320-acre spacing pattern in said pool and adjacent areas within two miles of same.

Magnolia Petroleum Company is the owner of oil and gas leases in the area to be designated as the Tapicito-Pictured Cliffs Gas Pool and producing wells thereon. We feel that the area described should be designated as a new and separate Pictured Cliffs Pool and feel that it would be to the interest of conservation and the prevention of waste and protect correlative rights to require a 320-acre drilling unit as described in the application, both in the pool itself and adjacent areas within two miles of same.

Yours very truly,

Ross Madole
Ross Madole

RM:u

cc: Mr. A. S. Grenier

Put in file
Case file
cc
Page 944

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

December 12, 1955

Mr. John A. Anderson
Regional Oil and Gas Supervisor
U. S. Geological Survey
Roswell, New Mexico

Re: Jicarilla Apache Indian Lands,
Rio Arriba County, New Mexico

Dear Mr. Anderson:

Application has been made to the New Mexico Oil Conservation Commission for establishment and designation of the Tapicito Pictured Cliffs Gas Pool to embrace the following described lands:

Township 25 North, Range 3 West, N.M.P.M.

Sec. 4: All Sec. 5: All

Township 26 North, Range 3 West, N.M.P.M.

Sec. 19: All Sec. 30: All
Sec. 29: All Sec. 32: All

Township 26 North, Range 4 West, N.M.P.M.

Sec. 3: $S\frac{1}{2}$	Sec. 15: All
Sec. 4: $S\frac{1}{2}$	Sec. 16: All
Sec. 9: All	Sec. 21: $E\frac{1}{2}$
Sec. 10: All	Sec. 22: All
Sec. 11: $S\frac{1}{2}$	Sec. 23: All
Sec. 13: All	Sec. 24: All
Sec. 14: All	Sec. 25: $E\frac{1}{2}$

All of the above lands, except Sections 4 and 5, Township 25 North, Range 3 West, are Indian lands situated within the Jicarilla Apache Reservation.

Aztec Oil & Gas Company owns an undivided one-half interest in oil and gas leases issued by the Jicarilla Apache Indians covering the following described lands which are located within the boundaries of the proposed gas pool and adjacent areas within two miles of same:

Township 26 North, Range 3 West, N.M.P.M.

All of Sections 29, 30, 31, and 32

Township 26 North, Range 4 West, N.M.P.M.

All of Sections 1, 2, 11, 12, 13, 14, 17,
18, 19, 20, 23, 24, 25, 26, 35, and 36

Mr. John A. Anderson

-2-

By reason of the completion of several wells in the area of the proposed gas pool and in light of the geological and well log data currently available, it is our opinion that all of the lands within the proposed gas pool may reasonably be expected to be productive of natural gas in commercial quantities in the Pictured Cliffs formation. Such geological and well log data also indicate that the Pictured Cliffs Gas Pool underlying the lands referred to hereinabove is and should be regarded as a different pool from any of those heretofore designated by the New Mexico Oil Conservation Commission as such in northwestern New Mexico.

According to geological and well log data currently available, it is our opinion that a well drilled and properly completed in the Pictured Cliffs formation within the limits of the proposed gas pool may reasonably be expected to drain in an efficient and economic manner at least 320 acres. Therefore, pending further development and production from such area, it is respectfully requested that you approve and temporarily establish, for a period of one year from the date of this letter, 320-acre drilling units for the Jicarilla Indian lands under lease to Aztec Oil & Gas Company and described above. It is also requested that your order provide that each such unit will consist of either the $N\frac{1}{2}$, $S\frac{1}{2}$, $E\frac{1}{2}$, or $W\frac{1}{2}$ of a standard section according to United States land surveys, with the wells located in the $SW\frac{1}{4}$ or the $NE\frac{1}{4}$ of the section, subject to exception because of an existing Pictured Cliffs gas well in the section, and that no well will be drilled on such lands (in the absence of special topographical conditions justifying some other location) closer than 990 feet to a boundary of a quarter section upon which it is located.

With thanks for your prompt and favorable action on this request, I am

Yours very truly,

AZTEC OIL & GAS COMPANY

By

Law Thompson
Vice President

[Handwritten signature]



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

PET. ENG. FILE	
Initial and Forward	Reply Name to
RSD	RAN
TWG	NEO
WCH	DLD
WRW	IEW
MCH	ILC
GLP	SIL
January 18, 1956	
	WSD
	VES

Humble Oil & Refining Company
Midland,
Texas

Gentlemen:

Reference is made to your application dated December 12, 1955, for approval of 320-acre spacing for pictured Cliffs gas wells on Jicarilla tribal oil and gas leases owned by you in the following described Tapicito area:

Township 26 North, Range 3 West, N.M.L.M.

Sec. 19: All Sec. 30: All
Sec. 20: All Sec. 32: All

Township 26 North, Range 4 West, N.M.L.M.

Sec. 3: S $\frac{1}{2}$ Sec. 15: All
Sec. 4: S $\frac{1}{2}$ Sec. 16: All
Sec. 9: All Sec. 21: E $\frac{1}{2}$
Sec. 10: All Sec. 22: All
Sec. 11: S $\frac{1}{2}$ Sec. 23: All
Sec. 13: All Sec. 24: All
Sec. 14: All Sec. 25: E $\frac{1}{2}$

Said spacing is approved for one year from December 1, 1955, covering the Jicarilla Indian leases owned by you in the area described in the foregoing and adjacent land within two miles of such area.

The 320-acre spacing unit shall be the N $\frac{1}{2}$, S $\frac{1}{2}$, E $\frac{1}{2}$, or W $\frac{1}{2}$ of a standard section or its near equivalent, and the wells shall be located in the SW $\frac{1}{4}$ and NE $\frac{1}{4}$ of the section, not less than 990 feet from the exterior boundary of such quarter-section, with reasonable tolerance for topographic conditions. Exceptions for wells now drilled are recognized.

The Geological Survey reserves the right, at any time upon not less than 90 days written notice, to require that such well density be increased to one well to 160-acres when in our opinion such action is required by proper protection of the interests of the Jicarilla Indian lessors.

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

RECEIVED
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216
Case 977
December 13, 1955

Re: Oil Conservation
Commission
Case 977

C
O
P
Y
Governor John Simms
State Capitol
Santa Fe, New Mexico

Dear John:

In considering the application of Southern Union Gas Company for 320 acre spacing and designation of a Tapacitos Pool, I would like to suggest the following points in consideration:

1. The area described could possibly be a separate pool inasmuch as several dry holes have been drilled around it and no positive trend has been developed connecting it to other fields.
2. The cost of wells in this area is definitely greater (about twice) than the majority of Pictured Cliffs wells presently drilled because of the greater depth and the remoteness of the area under consideration.
3. Southern Union has agreed to a three months shut in period which would be a good chance to test the drainage pattern of these much higher pressure Pictured Cliffs fields.
4. The request is for a temporary one-year permit and extension could be denied later if factors warranted it.
5. While granting 320 acre spacing in this Pictured Cliffs area would break a pattern, it would not

necessarily open the door if at the same time
Amerada's request in Case 954 is denied.

I would favor a test of the 320 acre pattern in the
Southern Union case and a denial of same to Amerada.

Very truly yours,

John P. Wiedemer

JFW/pg

cc: Mr. Bill Macey ✓

C
O
P
Y



After, P.W. & H. Anderson

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

January 18, 1956

Southern Union Gas Company
Burt Building
Dallas 1, Texas

Gentlemen:

Reference is made to your application dated December 7, 1955, for approval of 320-acre spacing for Pictured Cliffs gas wells on Jicarilla tribal oil and gas leases owned by you in the following described Tapicito areas:

Township 26 North, Range 3 West, N.M.P.M.

Sec. 19: All	Sec. 30: All
Sec. 29: All	Sec. 32: All

Township 26 North, Range 4 West, N.M.P.M.

Sec. 3: $S\frac{1}{2}$	Sec. 15: All
Sec. 4: $S\frac{1}{2}$	Sec. 16: All
Sec. 9: All	Sec. 21: $E\frac{1}{2}$
Sec. 10: All	Sec. 22: All
Sec. 11: $S\frac{1}{2}$	Sec. 23: All
Sec. 13: All	Sec. 24: All
Sec. 14: All	Sec. 25: $E\frac{1}{2}$

Said spacing is approved for one year from December 1, 1955, covering the Jicarilla Indian leases owned by you in the area described in the foregoing and adjacent land within two miles of such area.

The 320-acre spacing unit shall be the $N\frac{1}{2}$, $S\frac{1}{2}$, $E\frac{1}{2}$, or $W\frac{1}{2}$ of a standard section or its near equivalent, and the wells shall be located in the $SW\frac{1}{4}$ and $NE\frac{1}{4}$ of the section, not less than 990 feet from the exterior boundary of such quarter-section, with reasonable tolerance for topographic conditions. Exceptions for wells now drilled are recognized.

The Geological Survey reserves the right, at any time upon not less than 90 days written notice, to require that such well density be increased to one well to 160-acres when in our opinion such action is required by proper protection of the interests of the Jicarilla Indian lessors.

Very truly yours,

Copy to: Farrington
Supt., Dulce, N.M.
Oil Conserv. Comm. ✓

(Orig. Sgd.) JOHN A. ANDERSON
JOHN A. ANDERSON
Regional Oil and Gas Supervisor



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

January 18, 1956

Humble Oil & Refining Company
Midland,
Texas

Gentlemen:

Reference is made to your application dated December 12, 1955, for approval of 320-acre spacing for Pictured Cliffs gas wells on Jicarilla tribal oil and gas leases owned by you in the following described Tapicito area:

Township 26 North, Range 3 West, N.M.P.M.

Sec. 19: All	Sec. 30: All
Sec. 29: All	Sec. 32: All

Township 26 North, Range 4 West, N.M.P.M.

Sec. 3: S $\frac{1}{2}$	Sec. 15: All
Sec. 4: S $\frac{1}{2}$	Sec. 16: All
Sec. 9: All	Sec. 21: E $\frac{1}{2}$
Sec. 10: All	Sec. 22: All
Sec. 11: S $\frac{1}{2}$	Sec. 23: All
Sec. 13: All	Sec. 24: All
Sec. 14: All	Sec. 25: E $\frac{1}{2}$

Said spacing is approved for one year from December 1, 1955, covering the Jicarilla Indian leases owned by you in the area described in the foregoing and adjacent land within two miles of such area.

The 320-acre spacing unit shall be the N $\frac{1}{2}$, S $\frac{1}{2}$, E $\frac{1}{2}$, or W $\frac{1}{2}$ of a standard section or its near equivalent, and the wells shall be located in the SW $\frac{1}{4}$ and NE $\frac{1}{4}$ of the section, not less than 990 feet from the exterior boundary of such quarter-section, with reasonable tolerance for topographic conditions. Exceptions for wells now drilled are recognized.

The Geological Survey reserves the right, at any time upon not less than 90 days written notice, to require that such well density be increased to one well to 160-acres when in our opinion such action is required by proper protection of the interests of the Jicarilla Indian lessors.

Very truly yours,

Copy to: Farmington
Supt., Dulce, N.M.
Oil Cons. Commission

(Orig. Sgd.) JOHN A. ANDERSON
JOHN A. ANDERSON
Regional Oil and Gas Supervisor



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 6721
Roswell, New Mexico

January 12, 1956

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

Gentlemen:

Reference is made to your application dated December 12, 1955, for approval of 320-acre spacing for Fictured Cliffs gas wells on Jicarilla tribal oil and gas leases owned by you in the following described Tapicito area:

Township 26 North, Range 3 West, N.M.P.M.

Sec. 19: All	Sec. 30: All
Sec. 29: All	Sec. 32: All

Township 26 North, Range 4 West, N.M.P.M.

Sec. 3: S $\frac{1}{2}$	Sec. 15: All
Sec. 4: S $\frac{1}{2}$	Sec. 16: All
Sec. 9: All	Sec. 21: E $\frac{1}{2}$
Sec. 10: All	Sec. 22: All
Sec. 11: S $\frac{1}{2}$	Sec. 23: All
Sec. 13: All	Sec. 24: All
Sec. 14: All	Sec. 25: E $\frac{1}{2}$

Said spacing is approved for one year from December 1, 1955, covering the Jicarilla Indian leases owned by you in the area described in the foregoing and adjacent land within two miles of such area.

The 320-acre spacing unit shall be the N $\frac{1}{2}$, S $\frac{1}{2}$, E $\frac{1}{2}$, or W $\frac{1}{2}$ of a standard section or its near equivalent, and the wells shall be located in the SW $\frac{1}{4}$ and NE $\frac{1}{4}$ of the section, not less than 990 feet from the exterior boundary of such quarter-section, with reasonable tolerance for topographic conditions. Exceptions for wells now drilled are recognized.

The Geological Survey reserves the right, at any time upon not less than 90 days written notice, to require that such well density be increased to one well to 160-acres when in our opinion such action is required by proper protection of the interests of the Jicarilla Indian lessors.

Copy to: Farmington
Supt., Dulce, N.M.
Oil Cons. Commission ✓

Very truly yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

January 18, 1956

Pacific Northwest Pipeline Corporation
Simms Building
Albuquerque, New Mexico

Gentlemen:

Reference is made to your application dated December 22, 1955, for approval of 320-acre spacing for Pictured Cliffs gas wells on Jicarilla tribal oil and gas leases owned by you in the following described Tapicito area:

<u>Township 26 North, Range 3 West, N.M.P.M.</u>			
Sec. 19:	All	Sec. 30:	All
Sec. 29:	All	Sec. 32:	All

<u>Township 26 North, Range 4 West, N.M.P.M.</u>			
Sec. 3:	$S\frac{1}{2}$	Sec. 15:	All
Sec. 4:	$S\frac{1}{2}$	Sec. 16:	All
Sec. 9:	All	Sec. 21:	$E\frac{1}{2}$
Sec. 10:	All	Sec. 22:	All
Sec. 11:	$S\frac{1}{2}$	Sec. 23:	All
Sec. 13:	All	Sec. 24:	All
Sec. 14:	All	Sec. 25:	$E\frac{1}{2}$

Said spacing is approved for one year from December 1, 1955, covering the Jicarilla Indian leases owned by you in the area described in the foregoing and adjacent land within two miles of such area.

The 320-acre spacing unit shall be the $N\frac{1}{2}$, $S\frac{1}{2}$, $E\frac{1}{2}$, or $W\frac{1}{2}$ of a standard section or its near equivalent, and the wells shall be located in the $SW\frac{1}{4}$ and $NE\frac{1}{4}$ of the section, not less than 990 feet from the exterior boundary of such quarter-section, with reasonable tolerance for topographic conditions. Exceptions for wells now drilled are recognized.

The Geological Survey reserves the right, at any time upon not less than 90 days written notice, to require that such well density be increased to one well to 160-acres when in our opinion such action is required by proper protection of the interests of the Jicarilla Indian lessors.

Copy to: Supt., Dulce, N.M.
Oil Cons. Commission ✓

Very truly yours,
[Signature]

JOHN A. ANDERSON
Regional Oil and Gas Supervisor



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 6721
Roswell, New Mexico

January 18, 1956

Honolulu Oil Corporation
P. O. Drawer 1391
Midland, Texas

Gentlemen:

Reference is made to your application dated December 12, 1955, for approval of 320-acre spacing for Pictured Cliffs gas wells on Jicarilla tribal oil and gas leases owned by you in the following described Tapcito area:

Township 26 North, Range 3 West, N.M.P.M.

Sec. 19: All	Sec. 30: All
Sec. 29: All	Sec. 32: All

Township 26 North, Range 4 West, N.M.P.M.

Sec. 3: S $\frac{1}{2}$	Sec. 15: All
Sec. 4: S $\frac{1}{2}$	Sec. 16: All
Sec. 9: All	Sec. 21: E $\frac{1}{2}$
Sec. 10: All	Sec. 22: All
Sec. 11: S $\frac{1}{2}$	Sec. 23: All
Sec. 13: All	Sec. 24: All
Sec. 14: All	Sec. 25: E $\frac{1}{2}$

Said spacing is approved for one year from December 1, 1955, covering the Jicarilla Indian leases owned by you in the area described in the foregoing and adjacent land within two miles of such area.

The 320-acre spacing unit shall be the N $\frac{1}{2}$, S $\frac{1}{2}$, E $\frac{1}{2}$, or W $\frac{1}{2}$ of a standard section or its near equivalent, and the wells shall be located in the SW $\frac{1}{4}$ and NE $\frac{1}{4}$ of the section, not less than 990 feet from the exterior boundary of such quarter-section, with reasonable tolerance for topographic conditions. Exceptions for wells now drilled are recognized.

The Geological Survey reserves the right, at any time upon not less than 90 days written notice, to require that such well density be increased to one well to 160-acres when in our opinion such action is required by proper protection of the interests of the Jicarilla Indian lessors.

Very truly yours,

Copy to: Farmington
Supt., Dulce, N.M.
Oil Cons. Commission ✓

(Orig. Sgd.) JOHN A. ANDERSON

JOHN A. ANDERSON

Regional Oil and Gas Supervisor

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

Case File
977

J. W. HOUSE

January 27, 1956

Mr. W. B. Macey
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

With reference to Case No. 964 and 977, we submit photostatic copies of Mr. John A. Anderson's letter of January 18, 1956 in which he approves 320-acre spacing for Humble Oil & Refining Company leases in the Tapacito Area for one year from December 1, 1955.

If it is permissible, we request that Mr. Anderson's letter be made a part of the record in the above cases.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE

R S Dewey
BY: R. S. DEWEY

APPROVED:

[Signature]

RSD/rs
Attachments

cc: Mr. Clarence E. Hinkle,
Roswell, New Mexico

12/31/57
LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY

BURT BUILDING
DALLAS 1, TEXAS

A. S. GRENIER
MILLARD F. CARR
JACK HERTZ
WM. S. JAMESON
JAS. R. WETHERBEE

December 31, 1956

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Case No. 977

Gentlemen:

As contemplated by paragraph (10) of Order No. R-794, issued by the Commission in the above case, a hearing has been set for January 16, 1957, for the purpose of determining whether or not it is appropriate that the present temporary 320-acre spacing for the Tapicito-Pictured Cliffs Gas Pool should be continued in effect.

We were advised by telephone today by a member of the Commission's Staff that the Staff, when the matter comes up for hearing on January 16, will request a continuance of the case until the regular February hearing date, and will in all likelihood keep on requesting further month to month continuances until completion of the interference test now being conducted by our Company on its Jicarilla No. 4-D Well in the NE $\frac{1}{4}$ of Section 30, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.

This is to advise you that Southern Union Gas Company will be agreeable to such a continuance of the case from month to month, unless and until we advise you in writing to the contrary.

Very truly yours,

SOUTHERN UNION GAS COMPANY

By

A. S. Grenier
A. S. Grenier, Attorney

ASG:FG

cc: Mr. J. C. Reid

Mr. A. M. Wiederkehr

Mr. N. P. Chesnutt

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 18, 1957

C
O
P
Y

Mr. A. M. Wiederkehr
Southern Union Gas Company
1104 Burt Building
Dallas, Texas

Dear Al:

This is to advise you that Case 977 was continued until the regular March 14th hearing at which time I will make further recommendations depending on conditions.

Very truly yours,

Elvis A. Utz
Engineer

EAU:bp

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY

BURT BUILDING
DALLAS 1, TEXAS

A. S. GRENIER
MILLARD F. CARR
JACK HERTZ
WM. S. JAMESON
JAS. R. WETHERBEE

February 27, 1957

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Re: Case No. 977

We are advised that when the above case comes up for hearing in March, 1957, the Commission's Staff will move for a postponement of such hearing until the regular hearing date in September, 1957. This is to advise you that Southern Union Gas Company will be agreeable to such a continuance of the case.

Very truly yours,

SOUTHERN UNION GAS COMPANY



A. S. Grenier, Attorney

fg

cc: Mr. A. M. Wiederkehr

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

March 1, 1957

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

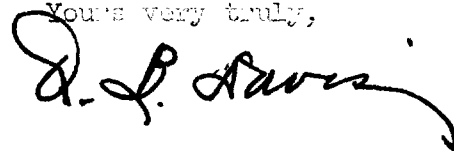
Attention: Mr. A. L. Porter, Secretary-Director

Gentlemen:

We have been advised that the Commission's staff will request at the March hearing a further continuance until the regular hearing date in September, 1957, of Case No. 977, involving 320-acre spacing for the Tapasity-Pictured Cliffs Gas Pool.

Aztec Oil & Gas Company is in accord with this proposal of your staff.

Yours very truly,



QBD:WL

cc - El Paso Natural Gas Company
Honolulu Oil Corporation
Pacific Northwest Pipeline Corp.
Magnolia Petroleum Company
Delhi-Taylor Oil Corporation
Humble Oil & Refining Co.

MAGNOLIA PETROLEUM COMPANY

A SOCONY MOBIL COMPANY

LEGAL DEPARTMENT

P. O. BOX 900
DALLAS 21, TEXAS

CHARLES B. WALLACE
GENERAL COUNSEL
R. T. WILKINSON, JR.
ASSOCIATE GENERAL COUNSEL
FRANK C. BOLTON, JR.
WENDELL J. DOGGETT
JACK E. EARNEST
SAM H. FIELD
ROY C. LEDBETTER
ROSS MADOLE
WALLACE G. MALONE
ROY L. MERRILL
RAYMOND M. MYERS
FLOYD B. PITTS
WILLIAM S. RICHARDSON
WILLIAM H. TABB
JACK VICKREY
ASSISTANTS

March 4, 1957

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen: Attention Mr. A. L. Porter, Secretary-Director

We have been advised that the Commission staff will request at the March hearing a further continuance until the regular hearing date in September, 1957, Case No. 977 involving 320 acre spacing for the Tapacito-Pictured Cliffs Gas Pool.

Magnolia Petroleum Company is in accord with this request of the Commission's staff.

Yours very truly,



RM:as

Ross Madole

cc: Mr. F. Norman Woodruff
El Paso Natural Gas Company
Box 1492
El Paso, Texas

Mr. A. S. Donnelly
Honolulu Oil Corporation
Drawer 1391
Midland, Texas

New Mexico Oil Conservation Commission - 2 - March 4, 1957

cc:

Mr. R. N. Richey
Pacific Northwest Pipeline Corporation
10th Floor, Simms Building
Albuquerque, New Mexico

Mr. Russ Carlin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas, Texas

Mr. Quilman B. Davis
Aztec Oil & Gas Company
920 Mercantile Securities Bldg.
Dallas, Texas

Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas, Texas

WMM 3/6/57
EAU
Case File

HONOLULU OIL CORPORATION

P. O. DRAWER 1391
MIDLAND, TEXAS

March 5, 1957

Case # 977

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Secretary-Director

Gentlemen:

Honolulu Oil Corporation has been advised that the Commission staff will request at the March hearing a further continuance until the regular hearing date in September, 1957, Case No. 977 involving 320-acre spacing for the Tapacito-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico.

Honolulu Oil Corporation, as an Operator in this field, is in accord with the request of the Commission's staff.

Very truly yours,

HONOLULU OIL CORPORATION

A. S. Donnelly
A. S. Donnelly
Vice President

ASD:led

cc: Mr. F. Norman Woodruff
El Paso Natural Gas Company
Box 1492
El Paso, Texas

Mr. R. N. Richey
Pacific Northwest Pipe Line Corporation
10th Floor, Simms Building
Albuquerque, New Mexico

New Mexico Oil
Conservation Commission

Page No. 2

March 5, 1957

cc: Mr. Russ Carlin
Delhi-Taylor Oil Corporation
823 Corrigan Tower
Dallas, Texas

Mr. Quilman B. Davis
Aztec Oil & Gas Company
920 Mercantile Securities Bldg.
Dallas, Texas

Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas, Texas

WUM 3/7/57
ETV
Case file

HUMBLE OIL & REFINING COMPANY
MIDLAND, TEXAS

Case #977

J. W. HOUSE

March 5, 1957

6-1

New Mexico
Pro-ration

New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

We have been advised by the Southern Union Gas Company that at the March hearing there will be a request for a further continuance until the regular hearing date in September 1957, of Case No. 977, involving 320-acre spacing for the Tapacito-Pictured Cliffs Gas Pool.

Humble is in accord with the proposed continuance of Case No. 977.

Sincerely,

HUMBLE OIL & REFINING COMPANY

J. W. House
J. W. House

KCH/md

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Case File: 3/11/57

El Paso Natural Gas Company

El Paso, Texas

March 7, 1957

977
Case file

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

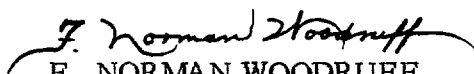
Attention: Mr. A. L. Porter, Jr. Secretary-Director

Gentlemen:

It is our understanding that at the March 15, 1957 Hearing the Commission Staff will request a further continuance of Case No. 977 involving 320-acre spacing for the Tapacito-Pictured Cliffs Gas Pool until the regular hearing date in September, 1957.

El Paso Natural Gas Company is in accord with this request of the Commission Staff.

Yours very truly,


F. NORMAN WOODRUFF
Gas Proration Engineer

FNW:mgs

- CC: Honolulu Oil Corporation
Pacific Northwest Pipeline Corp.
Magnolia Petroleum Company
Delhi-Taylor Oil Corporation
Humble Oil & Refining Company
Aztec Oil & Gas Company
Southern Union Gas Company

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN
MEMBER

STATE GEOLOGIST, A.L. PORTER JR.
SECRETARY DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

March 6, 1957

Re: In the matter of the hearing ordered to be held by Paragraph 10, Order R-794, Case 977, to permit Southern Union Gas Company and other interested parties to show cause why 320 acre spacing should be continued in the Tapácito-Pictured Cliffs Pool.

Dear Sir:

The communications test ordered in R-794 was completed by Southern Union Gas Company, December 17, 1956. This test showed a decline of some 20 psi in the shut-in well which was their Jicarilla 2-E.

The Commission staff requested Southern Union to begin another test in this pool. In conformance with this request, the applicant's Jicarilla Well No. 4-D, SE/4 NE/4 30-26N-3W, was shut-in on December 17, 1956.

In compliance with Order R-794, the Commission called a hearing on the matter January 16, 1957, at which time the case was continued until March 14, 1957. It is now apparent that the present test will not be completed by that date. It will, therefore, be the recommendation of the Commission staff that the provisions of R-794 be continued in effect until October 1, 1957, in order that the results of the test may be considered in the final determination of this matter. Southern Union Gas Company and Aztec Oil and Gas Company have concurred in this proposal.

It is proposed by the staff that another hearing on this case be held in August or September of 1957.

Yours very truly,

A. L. Porter, Jr.
Secretary - Director

ALP:bp

Case file

NORTHWEST PRODUCTION CORPORATION

ALBUQUERQUE, NEW MEXICO

March 12, 1957

REPLY TO:
520 SIMMS BUILDING
ALBUQUERQUE, NEW MEXICO

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Secretary-Director

Gentlemen:

Northwest Production Corporation has been advised that the Commission staff will request at the March hearing a further continuance until the regular hearing date in September, 1957, Case No. 977 involving 320-acre spacing for the Tapacito-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico.

Northwest Production Corporation, as an Operator in this field, is in accord with the request of the Commission's staff.

Very truly yours,

NORTHWEST PRODUCTION CORPORATION

Ray Phillips
Ray Phillips, Assistant Manager
Production Operations

RP/nw

cc; El Paso Natural Gas Company
Honolulu Oil Corporation
Magnolia Petroleum Company
Delhi-Taylor Oil Corporation
Humble Oil & Refining Company

DEARNLEY-MEIER AND ASSOCIATES
INCORPORATED

605 SIMMS BUILDING
ALBUQUERQUE, NEW MEXICO
Telephone 3-6691



106 BOKUM BUILDING
SANTA FE, NEW MEXICO
Telephone 2-1869

March 26, 1958

Bobby Postlewaite
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Bobby:

Please send me a copy of case 977 as soon as possible.

Thanks

ADA

*I took
this
Ada*

100-442883
JUN 27 1964

MIDLAND, TEXAS

The Oil Conservation Commission
The State of New Mexico
Box 871
Santa Fe, New Mexico

Re: In the matter of the application
of Southern Union Gas Company
for an order creating the Tapacito-
Pictured Cliffs Gas Pool in Rio
Arriba County, New Mexico, and
for the establishment of 320-acre
drilling units within said pool.

Honolulu Oil Corporation is one of the producing operators in the Tapacito-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico. Honolulu has recently received a copy of the application for re-hearing filed by Southern Union Gas Company, and classified as Case No. 977.

Very truly yours,

A. S. Donnelly
A. S. Donnelly

A. S. Donnelly
Vice President

AIRMAIL

Mr. A. S. Grenier
cc: Southern Union Gas Company
Burt Building
Dallas 1, Texas

Mr. J. W. House
Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas

Mr. Ross Madole
Magnolia Petroleum Company
P. O. Box 900
Dallas, Texas

Mr. F. Norman Woodruff
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Mr. Quilman B. Davis
Aztec Oil & Gas Company
920 Mercantile Securities Bldg.
Dallas, Texas

Mr. R. F. Rood
Phillips Petroleum Company
Bartlesville, Oklahoma

Mr. R. N. Richey
Pacific Northwest Pipe Line Corporation
10th Floor Simms Building
Albuquerque, New Mexico

The attached letter was sent to the following:

Honolulu Oil Corp., Box 1391, Midland, Texas, Attention Mr. George Hoy
Pan-American Petr. Corp., Box 899, Roswell, N.M., Attention C. L. Kelley
Delhi-Taylor Oil Corp., 823 Corrigan Tower, Dallas, Tex., Attn. R. G. Carlin
Pacific Northwest Pipeline Corp., Box 1526, Salt Lake City 10, Utah,
Attention Mr. Leslie G. Truby, Jr.
Magnolia Petr. Co., Box 900, Dallas, Tex., Attn. Mr. Ross Madole
El Paso Nat. Gas Co., Box 1492, El Paso, Tex., Attn. John Woodward
Gunsite Butte Uranium, Box 516, Farmington, N.M., Attn. Lee Kilgore
Mr. J. F. Hickman, Jr., 2929 Monte Vista Ave., NW, Albuquerque, N.M.
Elliott & Hall, c/o Federal Abstract Co., Box 1681, Santa Fe, N.M.
Mr. Jason Kellahin, Box 597, Santa Fe
USGS, Box 6738, Roswell, N.M., Attn. John Anderson
Amerada Petr. Corp., Box 2040, Tulsa, Okla., Attn. R. S. Christie
Aztec Oil & Gas Co., 920 Mercantile Securities Bldg., Dallas, Tex.,
Attn. Quilman B. Davis
Mr. Clarence Hinkle, Box 547, Roswell, N.M.
Mr. M. J. Florance, Aztec, N.M.
Mr. Caswell Silver, 323 Simms Bldg., Albuquerque, N.M.
Humble Oil & Refining Co., Box 1600, Midland, Texas

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

QUILMAN B. DAVIS

SECRETARY AND GENERAL ATTORNEY

April 4, 1958

Oil Conservation Commission
of the State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Southern Union Gas Company's
Application for Re-Hearing
Tapacito-Pictured Cliffs Gas
Pool, Rio Arriba County, N.M.

Gentlemen:

Southern Union Gas Company has delivered to us a copy of its application to you for a re-hearing with respect to Order No. R-794-C which denied its application for a 320-acre spacing in the Tapacito-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico.

We concur with the statements made in Southern Union's application and urge the Commission to grant the re-hearing as requested.

Yours very truly,

AZTEC OIL & GAS COMPANY

By *Q. B. Davis*
General Attorney

QBD:NL

cc - Southern Union Gas Company
Honolulu Oil Corporation
Humble Oil & Refining Company
Magnolia Petroleum Company
El Paso Natural Gas Company
Phillips Petroleum Company
Pacific Northwest Pipeline Corp.

El Paso Natural Gas Company

El Paso, Texas

April 7, 1958

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

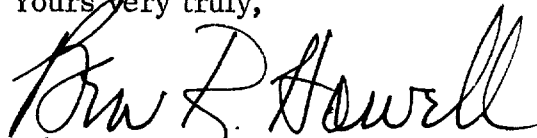
Attention: Mr. A. L. Porter, Jr.

Gentlemen:

El Paso Natural Gas Company is in receipt of a copy of an application filed by Southern Union Gas Company for rehearing with respect to the findings in Order R-794-C concerning spacing in the Tapacito Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico.

In view of the short producing history and greater cost of Pictured Cliffs wells in this area, it seems that prudent operations would be best served by 320 acre spacing until additional production history and data indicates the necessity of closer spacing. This Company urges the Commission to grant the rehearing and reconsider the case.

Yours very truly,



BEN R. HOWELL, Attorney

BRH:mgs

CC: Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas 1, Texas

SOUTHERN UNION GAS COMPANY

BURT BUILDING

DALLAS 1, TEXAS

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY

A. S. GRENIER
MILLARD F. CARR
JACK HERTZ
WM. S. JAMESON
JAS. R. WETHERBEE

June 21, 1958

Mr. A. L. Porter, Jr., Secretary
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith for filing with the Commission are four copies of an application of Southern Union Gas Company for a rehearing with respect to Order No. R-794-E, entered by the Commission in Case No. 977 on June 4, 1958.

Very truly yours,



ASG:fg

Enc.

cc: Mr. Jason W. Kellahin
Kellahin & Fox
P. O. Box 1713
Santa Fe, New Mexico

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

QUILMAN B. DAVIS

SECRETARY AND GENERAL ATTORNEY

June 24, 1958

AIR MAIL

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 977
Order No. R-794-E

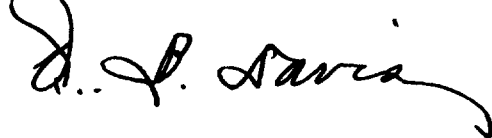
Gentlemen:

Southern Union Gas Company has delivered to us a copy of its application dated June 21, 1958 for a re-hearing in the subject case.

Aztec Oil & Gas Company concurs generally in the application and urges the Commission to grant applicant's request.

Yours very truly,

AZTEC OIL & GAS COMPANY

A handwritten signature in dark ink, appearing to read "Q. B. Davis", with a stylized flourish at the end.

General Attorney

QBD:NL

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 26, 1958

C
O
P
Y

Southern Union Gas Company
Burt Building
Dallas 1, Texas

ATTENTION: A. S. Grenier

Re: Case No. 977

Gentlemen:

This office is in receipt of a second application by your company for rehearing in Case No. 977.

One rehearing has already been granted and held in this case at your request. After considering all the evidence presented at the rehearing, the Commission entered Order No. R-794-E reaffirming its prior decision in Order No. R-794-C.

It is our position that the statute authorizing appeals from decisions of the Oil Conservation Commission of New Mexico (Section 65-3-22, NMSA, 1953 Comp.) does not contemplate nor authorize a second application for rehearing by the same party. The statute seems quite clear on this point when it provides that any party to a rehearing who is dissatisfied with the disposition of the case by the Commission may appeal to the District Court. Order No. R-794-E is a final and appealable order of this Commission and any further litigation of this order must be had in the District Court as provided by statute.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

ALP/WJC:bp

CC-Commissioner Morgan
Governor Mechem

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 3, 1958

C
O
P
Y

Southern Union Gas Company
Burt Building
Dallas 1, Texas

ATTENTION: A. S. Grenier

Re: Case No. 977 Rehearing

Gentlemen:

Reference is made to my letter of June 26th, 1958, wherein I advised your company that the Oil Conservation Commission of New Mexico took the position that a second rehearing by the same party in the same case was not contemplated nor authorized by Section 65-3-22, NMCA, 1953 Comp. This office is still of the same opinion as of this date.

However, even if it be assumed that a second rehearing is authorized, you may consider that the application has been refused inasmuch as ten days have elapsed since the date of filing of the application.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

ALP/WJC:bp

CC-Commissioner Morgan
Governor Mechem