

El Paso Natural Gas Company

El Paso, Texas

November 25, 1955

Mr. M. B. Macey, Secretary
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Mr. Macey:

Enclosed herewith is a copy of an Application of El Paso Natural Gas Company and Albuquerque Associated Oil Company for an unorthodox spacing unit consisting of the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West. Foster Morrell has previously discussed this matter with you. The Application has been sent to Albuquerque Associated Oil Company with the request that it be forwarded to your immediately. We are sending this copy to you in the meantime in the hope that we can get this on the December docket inasmuch as we have an obligation to commence this well by January 1, 1956, and, of course, need the matter settled before that time. We would certainly appreciate your cooperation in attempting to expedite the notices in this case if possible to get it on the December docket.

The reason we are asking for an unorthodox spacing unit in preference to forced pooling is the fact that under an order granting forced pooling we will have to take the risk of obtaining commercial production and to initially advance all drilling costs. If we can obtain commercial production we can recover our drilling costs out of production, but with the payout of wells in the San Juan Basin our money is tied up for five or seven years with no return whatsoever on this money so tied up. We have in the past financed considerable drilling in the San Juan Basin with no return to El Paso except for the gas produced being available for our pipeline. Our Treasurer is getting concerned about the sums of money we have tied up in drilling costs which we are not sure when and if they will pay out and of the fact that we are receiving nothing whatsoever for the money so invested.

It is my thought that if an unorthodox spacing order is granted that the party left out of the proper 320 acre drilling tract will then usually adopt a different attitude and will take steps to see that his tract is properly committed in order to avoid being drained.

Very truly yours,

R. L. Hamblin

R. L. Hamblin, Manager
Lease Department

RLH:ha
Air Mail - Special Delivery

7

El Paso Natural Gas Company

El Paso, Texas

November 25, 1955

REGISTERED MAIL

Mr. E. P. Ripley
Attorney at Law
54 1/2 East San Francisco St.
Santa Fe, New Mexico

Dear Mr. Ripley:

In accordance with the request of Mr. Foster Morrell, please find enclosed a copy of our Application for an Unorthodox Spacing Unit consisting of the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M. This Application has been filed with the Oil Conservation Commission of the State of New Mexico.

It is our understanding that you desired a copy of this Application in your capacity as attorney for Mr. Manuel A. Trujillo, owner of the mineral estate under the S/2 SW/4 of Section 15.

Very truly yours,



T. W. Bittick
Area Landman
Lease Department

TWB:pb
Encl.

cc: Mr. Foster Morrell - encl.
P. O. Box 993
Roswell, New Mexico

Mr. W. B. Macey ✓
Oil Conservation Commission
of the State of New Mexico
Santa Fe, New Mexico

COPY

El Paso Natural Gas Company

El Paso, Texas

November 25, 1955

Mr. W. E. Alsup
1247 Shafter Street
San Mateo, California

Re: San Juan 28-5 Unit

Dear Mr. Alsup:

As you are aware, the S/2 of Section 15, Township 28 North, Range 5 West, was included in the Mesaverde Participating Area for the San Juan 28-5 Unit, effective January 1, 1955, and consequently a well must be commenced on this intervening drilling block by January 1, 1956.

The S/2 SW/4 of Section 15 belongs to Mr. Manuel A. Trujillo, and has not been committed to the unit. Mr. Trujillo has refused to commit the acreage to the unit, and has also refused to pay his share of the costs of a well to be located on the S/2 of Section 15. El Paso Natural Gas Company, as Unit Operator, and Albuquerque Associated Oil Company, as the working interest owner under the remaining acreage in the S/2 of Section 15, have filed an application for an unorthodox spacing unit consisting of the NE/4 and the E/2 SW/4 of Section 15, with the Oil Conservation Commission of the State of New Mexico, and in the alternative, have asked for forced pooling of the entire S/2 of Section 15. We anticipate this matter will come up for hearing before the Commission at the regular December hearing. We would like to request that you, as a working interest owner in the San Juan 28-5 Unit, address a letter to El Paso Natural Gas Company expressing your concurrence in the application by El Paso and Albuquerque Associated Oil Company, and your approval of the establishment of such unorthodox spacing unit.

Inasmuch as this matter should come up in December, we would very much appreciate your forwarding to us your letter of approval at your earliest convenience.

Very truly yours,

T. W. Bittick

T. W. Bittick
Area Landman
Lease Department

TWB:pb

*If this is important
will you please answer for me
I sign my name W.E. Alsup*

Case 996

ALBUQUERQUE ASSOCIATED OIL COMPANY

824 SIMMS BUILDING
ALBUQUERQUE, NEW MEXICO

November 26, 1955

DUDLEY CORNELL
PRESIDENT

Mr. W. C. Macey, Director
Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

Dear Mr. Macey:

Enclosed herewith is Application by El Paso Natural Gas Company and Albuquerque Associated Oil Company for an unorthodox spacing unit in the $SE\frac{1}{4}$ and the $N\frac{1}{2}SW\frac{1}{4}$ of Section 15, Township 28 North, Range 5 West, in triplicate.

Very truly yours,



DUDLEY CORNELL, President

DC:vr
Encl

T. H. McElvain
ATTORNEY AT LAW
SANTA FE, NEW MEXICO
ALBUQUERQUE 27, N. M.

RECEIVED
OCT 10 1944
OIL & GAS
DEPARTMENT

El Paso Natural Gas Company
P. O. Box 1442
El Paso, Texas

Attention: T. W. Bittick

Act. San Juan
El Paso

Dear Mr. Bittick:

I have your letter of November 15th to me and one addressed to Forrest B. Miller, and I wish to answer for him as well as for myself.

We wish to express our concurrence in the application by El Paso Natural Gas Company and Albuquerque Associated Oil Company with respect to establishing an unorthodox spacing unit in the S/2 of Section 15, 28-N, 5-W.

Yours very truly,

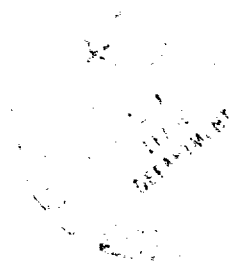
T. H. McElvain
T. H. McELVAIN

THM:fn

ILLEGIBLE



November 18, 1955



El Paso Natural Gas Co.
P. O. Box 1492
El Paso, Texas

Re: San Juan 2005-111

Dear Sirs:

Your letter of November 25, 1955,
regarding the application of an unorthodox unit
spacing, I concur with the said application set
out in the above mentioned letter to me.

Jrc:11

Very truly yours,

J. R. Abernethy
J. R. Abernethy

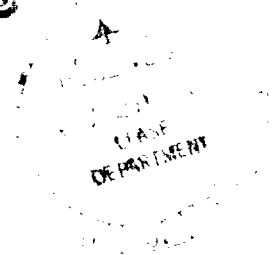
ILLEGIBLE

GENERAL AMERICAN OIL COMPANY OF TEXAS

MEADOWS BUILDING

DALLAS, TEXAS

November 28, 1955



El Paso Natural Gas Company
El Paso, Texas

Re. San Juan 28-5 Unit

Gentlemen:

It is our understanding that you, as unit operator, and Albuquerque Associated Oil Company, as the owner of all of the working interest in the S/2 of Section 15, Township 28 North, Range 15 West except the S/2 SW/4 of said Section 15 which belongs to Mr. Manuel A. Trujillo, have filed an application with the Oil Conservation Commission of the State of New Mexico requesting an unorthodox spacing unit, consisting of the SE/4 and the N/2 SW/4 of Section 15, or, in the alternative, have forced pooling of the entire S/2 of Section 15.

This letter will evidence our support of and concurrence in the aforementioned application and our approval of the establishment of such unorthodox spacing unit.

Yours very truly,

William P. Barnes
Vice President
Land Department

WFB:lv

PHILLIPS PETROLEUM COMPANY

BAKERSVILLE, OKLAHOMA

LAND AND GEOLOGICAL DEPARTMENT

G. D. STARK, VICE PRESIDENT
D. E. LOUNSBERRY, ASST. TO VICE PRESIDENT
D. C. HEMSELL, DEPARTMENT MANAGER
W. B. WEEKS, ASST. DEPARTMENT MANAGER
A. J. HINTZE, EXPLORATION DIRECTOR

November 20, 1955

Re: San Juan 20-5 Unit
Rio Arriba County,
New Mexico

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: Mr. F. L. Sitnick

Gentlemen:

This will acknowledge receipt of your letter of November 17, pointing out the fact that the S/2 of Section 15-28N-5W, is an intervening half section in the Mesaverde Participating Area and requires the commencement of a well by January 1, 1956.

You point out that the S/2 NW/4 of Section 15 belongs to Mr. Manuel A. Trujillo, and he has not committed this tract to the unit and further refuses to do so, as well as, declines to pay his share of the costs of a well located on this half section.

You have requested that we advise of our concurrence in your application for the unorthodox spacing unit consisting of the SE/4 and N/2 SW/4 of Section 15. We have no objection to such action. However, in view of the fact that we have assigned our interest within the subject unit to Pacific Northwest Pipeline Corporation, insofar as the rights down to and including the Mesaverde formation are concerned, we feel you should secure the concurrence of Pacific Northwest to your proposed application.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

G. E. Benskin
G. E. Benskin, Regional Landman
Northwest Region
Land and Geological Department

GEB:sk

cc: Pacific Northwest Pipeline Corporation, Albuquerque, New Mexico
Attention: Mr. R. N. Richey

ILLEGIBLE

PACIFIC NORTHWEST PIPELINE CORPORATION

PHONE 3-3547 • SIMMS BUILDING

ALBUQUERQUE, NEW MEXICO

November 30, 1955



El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas

Re: San Juan 28-5 Unit
Rio Arriba County, New Mexico

Gentlemen:

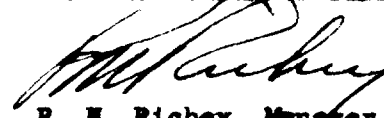
The S/2 of Section 15, Township 28 North, Range 5 West, was included as an intervening drilling block in the Participating Area Mesaverde Formation for the San Juan 28-5 Unit effective January 1, 1955. Therefore, a well must be commenced on this drilling block by January 1, 1956.

You have advised us that Mr. Manuel A. Trujillo, owner of the mineral interest described as the S/2 of the SW/4 of Section 15, Township 28 North, Range 5 West, has refused to commit the acreage to the unit, and also refused to pay his share of the cost of a well to be located on the above described intervening drilling block. You further informed us that El Paso Natural Gas Company, Unit Operator, and Albuquerque Associated Oil Company, Working Interest Owner under the remaining acreage in the intervening drilling block, have filed an application with the Oil Conservation Commission of the State of New Mexico for an unorthodox spacing unit consisting of the SE/4 and the N/2 of the SW/4 of Section 15, Township 28 North, Range 5 West; and, as an alternative in the application you have asked for forced pooling of the entire S/2 of Section 15, Township 28 North, Range 5 West.

Pacific Northwest Pipeline Corporation, as a Working Interest Owner in the San Juan 28-5 Unit, concurs in the application by El Paso Natural Gas Company, Unit Operator, and Albuquerque Associated Oil Company, Working Interest Owner, filed with the Oil Conservation Commission of the State of New Mexico.

Very truly yours,

PACIFIC NORTHWEST PIPELINE CORPORATION


R. N. Richey, Manager
Land Department

KMR:jce

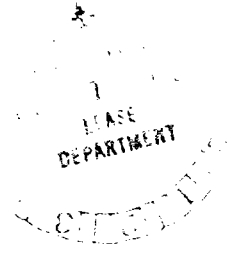
ILLEGIBLE

ev
RIANAN CO.

Oil and Gas Properties

~~XXXXXXXXXXXXXXXXXXXX~~

ALBUQUERQUE, N. M.
615 Simms Bldg.



November 30, 1955

Mr. T. W. Bittick
Area Landman
Lease Department
El Paso Natural Gas Company
El Paso, Texas

Re: San Juan 28-5 Unit

Dear Mr. Bittick:

I as working interest owner in the San Juan 28-5 Unit do hereby concur in the application of El Paso Natural Gas Company, as unit operator, and Albuquerque Associated Oil Company, as the working interest owner for an unorthodox spacing unit application for a well in the south half of section 15, township 28 north, range 5 west.

Very truly yours,

T. F. Harrington
T. F. Harrington

TFH:mla

December 6, 1955

El Paso Natural Gas Company
Post Office Box 1492
El Paso, Texas

Gentlemen:

As a working interest owner in the San Juan 28-5 Unit, I wish to express my concurrence in the Application by El Paso Natural Gas Company and Albuquerque Associated Oil Company for an unorthodox spacing and gas production unit covering the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M.

Very truly yours,

A handwritten signature in dark ink, appearing to be 'M. A. Romero', with a long, sweeping horizontal stroke extending to the right.

M. A. Romero

STANOLIND OIL AND GAS COMPANY

P. O. Box 105
Albuquerque, New Mexico
December 7, 1955

LEASE
DEPARTMENT

Re: AFE 20,102
San Juan 28-5 Unit
San Juan County
New Mexico

El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention: T. W. Bittick

Gentlemen:

Reference is made to your letter of November 23, 1955 requesting Stanolind, as a working interest owner in the San Juan 28-5 Unit, to express concurrence in the application by El Paso and Albuquerque Associated Oil Company for an unorthodox spacing unit consisting of SE/4 and N/2 SW/4 of Section 15-28N-5W.

You may consider this letter as evidence to the fact that Stanolind concurs in your request for the formation of said unorthodox spacing unit. Stanolind, however, specifically rejects joining in your request for forced pooling of the unleased tract owned by Manuel A. Trujillo, being the S/2 SW/4 Section 15-28N-5W.

We also wish to point out that Stanolind does not agree to share in any costs accruing from the formation of the unorthodox spacing unit inasmuch as Stanolind's working interest covers only the rights below the Mesaverde formation in the 28-5 Area. Working interest rights formerly owned by Stanolind in the 28-5 Area are now owned by Pacific Northwest Pipeline Corporation from the surface to the base of the Mesaverde formation, and Stanolind retained all rights below the base of the Mesaverde.

Yours very truly,

STANOLIND OIL AND GAS COMPANY

Ben R. Kee
Ben R. Kee
District Landman

JMD:bp

cc: Mr. D. B. Mason, Jr.
Attention: S. C. Helbing
Fort Worth Office

EDWARD A. MILLER
2102-1111
SANTA FE, NEW MEXICO

December 3, 1955



El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Attention : Mr. T. W. Bittick

Re: San Juan 28-4 Unit

Dear Mr. Bittick:

I have your letter of November 25, 1955 which was sent to Mr. W. E. Alsop. He has forwarded this letter to T. H. McElvain and me for handling. We have expressed our concurrence in the application for establishing an unorthodox spacing unit in the S/2 of Section 15, 28-N, 5-W.

Copy of your letter with the signature of W. E. Alsop thereon is enclosed.

Yours very truly,

Forrest B. Miller

FBM:fn

ILLEGIBLE

December 8, 1955

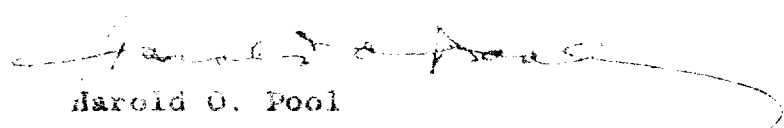
El Paso Natural Gas Company
Box 1492
El Paso, Texas

RECEIVED
LIAISON
DEPARTMENT

Gentlemen:

As a working interest owner in San Juan
28N 5W Unit I wish to express my con-
currence in the application by El Paso
Natural Gas Company and Albuquerque
Associated Oil Company for an unorthodox
spacing and gas proration unit covering
SE $\frac{1}{4}$ and the N $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 15-28N 5W.

Very truly yours,


Harold O. Pool

BOP:lw

J. R. ABERCROMBIE

P. O. Box 224
BELLAIRE, TEXAS

P. O. Box 335
SANTA FE, NEW MEXICO

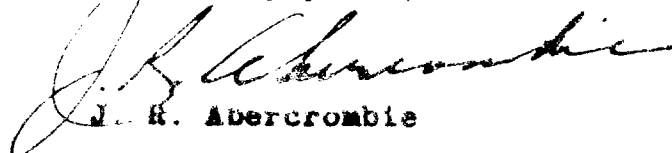
December 9, 1955

El Paso Natural Gas Company
Box 1492
El Paso, Texas

Gentlemen:

As a working interest owner in San Juan
28N 5W Unit I wish to express my con-
currence in the application by El Paso
Natural Gas Company and Albuquerque
Associated Oil Company for an unorthodox
spacing and gas proration unit covering
SE $\frac{1}{4}$ and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Sec. 15-28N 5W.

Very truly yours,


J. R. Abercrombie

JRA:lw

EL PASO, N. M.

December 9, 1955

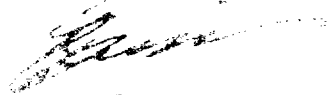
El Paso Natural Gas Company
Box 1492
El Paso, Texas

EL PASO
DEPARTMENT

Gentlemen:

As a working interest owner in San Juan
28N 5W Unit I wish to express my con-
currence in the application by El Paso
Natural Gas Company and Albuquerque
Associated Oil Company for an unorthodox
spacing and gas proration unit covering
SE $\frac{1}{4}$ and the N $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 15-28N 5W.

Very truly yours,



Joe Quinn

JQ:lw

GILBERT, WHITE AND GILBERT

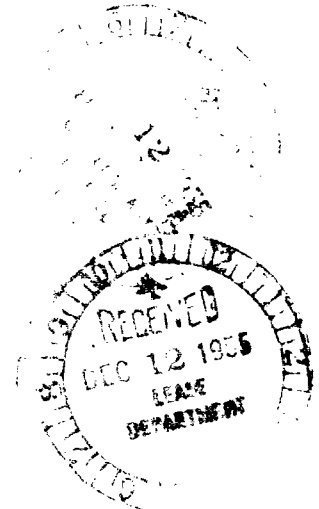
ATTORNEYS AND COUNSELORS AT LAW

EXHIBIT BUILDING

SANTA FE, NEW MEXICO

December 9, 1955

CARL H. GILBERT
L. C. WHITE
WILLIAM M. GILBERT
BURNER & BOCH



El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas

Gentlemen:

As working interest owners in San Juan 20 North 5 West Unit, we wish to express our concurrence in the application by El Paso Natural Gas Company and Albuquerque Associated Oil Company for an unorthodox spacing and gas protraction unit covering the SE $\frac{1}{4}$ and N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 15, Township 20 North, Range 5 West.

Very truly yours,

ANITA S. FRIEDMAN, MORRY GOODMAN
and CARL H. GILBERT, Executors of
the Last Will and Testament of
Nathan B. Stern, Deceased

By: *Carl H. Gilbert*

CHG:CB

ILLEGIBLE

TELEPHONES
OFF. 3-6387 & 3-6388
RES. 3-7246

E. P. RIPLEY
ATTORNEY AND COUNSELLOR AT LAW
54½ EAST SAN FRANCISCO
SANTA FE, NEW MEXICO

December 10, 1955

Oil Conservation Commission
Santa Fe, New Mexico

Re: Application for Approval of El Paso Natural
Gas and Albuquerque Associated Oil Co. to
Drill Non-Conforming Well in Section 15,
Twp. 28N R. 5W.

Gentlemen:

Mr. M. A. Trujillo, owner of the acreage involved in
the above matter has asked that I write you advising
that he does not propose to contest the application
of El Paso Natural Gas and Albuquerque Associated Oil
Company. This decision is without prejudice to Mr.
Trujillo's future rights.

Yours very truly,



E. P. Ripley

EPR:rs

cc: El Paso Natural Gas
Foster Morrell

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 11, 1956

Mr. Dudley Cornell
Albuquerque Associated Oil Company
824 Simms Building
Albuquerque, New Mexico

Dear Sir:

We enclose a copy of Order R-737 issued December 29, 1955,
by the Oil Conservation Commission in Case 986, which was heard
on December 14th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encl.

C
O
P
Y

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 11, 1956

Mr. Dudley Cornell
Albuquerque Associated Oil Company
824 Simms Building
Albuquerque, New Mexico

Dear Sir:

We enclose a copy of Order R-737 issued December 29, 1955,
by the Oil Conservation Commission in Case 986, which was heard
on December 14th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encl.

C
O
P
Y

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL PASO
NATURAL GAS COMPANY AND ALBUQUERQUE
ASSOCIATED OIL COMPANY FOR AN UNORTHODOX
SPACING UNIT CONSISTING OF THE SE/4 AND
THE N/2 SW/4 OF SECTION 15, TOWNSHIP 28
NORTH, RANGE 5 WEST, N. M. P. M., OR IN THE
ALTERNATIVE, FOR COMPULSORY COMMUNITI-
ZATION OF THE S/2 OF SECTION 15, TOWN-
SHIP 28 NORTH, RANGE 5 WEST, N.M.P.M.

CASE NO: 986

TO THE HONORABLE COMMISSION:

Your Applicant, El Paso Natural Gas Company, represents that it is a Delaware Corporation with a permit to do business in the State of New Mexico, and that it is the present operator of the San Juan 28-5 Unit Agreement, located in the Rio Arriba County, New Mexico, said unit having been approved by the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico, effective August 25, 1953, and bearing #14-08-001-949.

Your Applicant, Albuquerque Associated Oil Company, represents that it is a New Mexico Corporation, and that it is the present owner and holder of Federal Oil and Gas Lease Santa Fe 080516, dated September 1, 1951, and issued to Alice Bolack, which covers among other lands, the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M., and that said lands are committed to the San Juan 28-5 Unit.

Your Applicants further represent the following:

That Mr. Manuel A. Trujillo, whose address is Lumberton, New Mexico, is the present owner in the fee simple of the S/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M., and that said acreage has never been committed to the terms of the San Juan 28-5 Unit Agreement and Unit Operating Agreement, and said Manuel A. Trujillo has refused and still refuses to commit said acreage to the unit.

That the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., was included in the Mesaverde Participating Area as an intervening drilling block for said unit, effective January 1, 1955, in accordance with Article II, paragraph 3 of the San Juan 28-5 Unit Agreement. In accordance with the terms and provisions of said paragraph in the Unit Agreement, a well must be commenced on the intervening drilling block within one year from the effective date of said drilling block's inclusion in the Participating Area, unless said time be extended by the Director, Commissioner and Commission, and shall be continued with due diligence to a depth necessary to test the horizon from which production is secured in said Participating Area." Therefore, El Paso Natural Gas Company, as Unit Operator, must commence a well on the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., by January 1, 1956.

That Mr. Manuel A. Trujillo has been personally contacted and has refused to join in and pay his proportionate share of the costs of a Mesaverde well to be located on the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., and your Applicant represents that it has made diligent effort to reach some agreement whereby the entire S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., could be dedicated to a Mesaverde gas well in accordance with the provisions of Order #R-110, as promulgated by this Commission, but that such efforts have been to no avail, inasmuch as Mr. Manuel A. Trujillo refuses to join in the drilling of this well in any way.

Your Applicants respectfully requests that an appropriate order be entered by the Commission authorizing an unorthodox spacing unit and gas proration unit to consist of the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M., containing 240.00 acres more or less. In the alternative, your Applicants request that if the above relief is not granted by the Commission, the Commission enter its order pooling the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., containing 320.00 acres more or less, into an orthodox spacing unit and proration unit for gas produced from the surface to the base of the Mesaverde formation.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By _____
Vice President

ALBUQUERQUE ASSOCIATED OIL COMPANY

New Mexico Oil & Gas Engineering Committee
P. O. Box 127
December 2, 1955
Hobbs, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 11, 1956

Mr. Leo R. Daniel
El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas

Dear Sir:

We enclose a copy of Order R-737 issued December 29, 1955,
by the Oil Conservation Commission in Case 986, which was heard
on December 14th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encl.

C
O
P
Y

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF EL PASO)
NATURAL GAS COMPANY AND ALBUQUERQUE)
ASSOCIATED OIL COMPANY FOR AN UNORTHODOX)
SPACING UNIT CONSISTING OF THE SE/4 AND)
THE N/2 SW/4 OF SECTION 15, TOWNSHIP 28)
NORTH, RANGE 5 WEST, N.M.P.M., OR IN THE)
ALTERNATIVE, FOR COMPULSORY COMMUNITI-)
ZATION OF THE S/2 OF SECTION 15, TOWN-)
SHIP 28 NORTH, RANGE 5 WEST, N.M.P.M.)

NO. Case 986

TO THE HONORABLE COMMISSION:

Your Applicant, El Paso Natural Gas Company, represents that it is a Delaware corporation with a permit to do business in the State of New Mexico, and that it is the present operator of the San Juan 28-5 Unit Agreement, located in Rio Arriba County, New Mexico, said unit having been approved by the United States Geological Survey, the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico, effective August 25, 1953, and bearing #14-08-001-949.

Your Applicant, Albuquerque Associated Oil Company, represents that it is a New Mexico corporation, and that it is the present owner and holder of Federal Oil and Gas Lease Santa Fe 080516, dated September 1, 1951, and issued to Alice Bolack, which covers among other lands, the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M., and that said lands are committed to the San Juan 28-5 Unit.

Your Applicants further represent the following:

That Mr. Manuel A. Trujillo, whose address is Lumberton, New Mexico, is the present owner in fee simple of the S/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M., and that said acreage has never been committed to the terms of the San Juan 28-5 Unit Agreement and Unit Operating Agreement, and said Manuel A. Trujillo has refused and still refuses to commit said acreage to the unit.

That the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M. was included in the Mesaverde Participating Area as an intervening drilling block for said unit, effective January 1, 1955, in accordance with Article 11, Paragraph 3 of the San Juan 28-5 Unit Agreement. In accordance with the terms and provisions of said paragraph in the Unit Agreement, a well must be commenced on the inter-

vening drilling block "within one year from the effective date of said drilling block's inclusion in the Participating Area, unless said time be extended by the Director, Commissioner and Commission, and shall be continued with due diligence to a depth necessary to test the horizon from which production is secured in said Participating Area." Therefore, El Paso Natural Gas Company, as Unit Operator, must commence a well on the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M. by January 1, 1956.

That Mr. Manuel A. Trujillo has been personally contacted and has refused to join in and pay his proportionate share of the costs of a Mesaverde well to be located on the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., and your Applicant represents that it has made diligent effort to reach some agreement whereby the entire S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., could be dedicated to a Mesaverde gas well in accordance with the provisions of Order #R-110, as promulgated by this Commission, but that such efforts have been to no avail, inasmuch as Mr. Manuel A. Trujillo refuses to join in the drilling of this well in any way.

Your Applicants respectfully request that an appropriate order be entered by the Commission authorizing an unorthodox spacing unit and gas proration unit to consist of the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, N.M.P.M., containing 240.00 acres more or less. In the alternative, your Applicants request that if the above relief is not granted by the Commission, the Commission enter its order pooling the S/2 of Section 15, Township 28 North, Range 5 West, N.M.P.M., containing 320.00 acres more or less, into an orthodox spacing unit and proration unit for gas produced from the surface to the base of the Mesaverde formation.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By



Vice President

B.A.H.

ALBUQUERQUE ASSOCIATED OIL COMPANY

By

