

OFFICE OF ANGELS PEAK OIL COMPANY
CONGRESS OIL COMPANY
SUMMIT OIL COMPANY

BURT BUILDING
DALLAS 1, TEXAS

January 8, 1959

Feb Exam

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

Re: Application of Angels Peak Oil Company
for an Order granting special minimum
allowables for certain wells in the
Fulcher-Kutz-Pictured Cliffs Pool,
San Juan County, New Mexico, in exception
to the rules and regulations for said pool

Gentlemen:

Angels Peak Oil Company (herein referred to as "Applicant") hereby submits its Application, in triplicate, for an Order granting special allowables for certain wells in the Fulcher-Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, in exception to Rule 9 of Order No. R-565-C, as amended by Order No. R-967, which rule governs the gas allocation formula for such pool. In support of this Application Applicant respectfully states and shows the following:

1.

Applicant is the owner and operator of natural gas wells capable of producing natural gas from the Fulcher-Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, as follows:

<u>Well Name</u>	<u>Location</u>	<u>Designated Unit</u>	<u>No. of Acres</u>
Angels Peak No. 3	595 ft. from N and 1240 ft. from E lines of Sec. 11, T-28N, R-11W	T-28N, R-11W Sec. 11: N $\frac{1}{2}$ of E $\frac{1}{2}$	48.33
Angels Peak No. 5	285 ft. from N and 1520 ft. from W lines of Sec. 11, T-28N, R-11W	T-28N, R-11W Sec. 11: N $\frac{1}{2}$ of W $\frac{1}{2}$	49.15

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Docket mailed
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2.

The Angels Peak No. 3 well was completed on March 19, 1930 and the Angels Peak No. 5 well was completed on December 20, 1930, the time of both such completions being prior to the entry of Order No. 748 on June 22, 1948, changing the drilling and spacing units for gas wells, in the area involved in this application, from 40 to 160 acres. At the time the above described wells were drilled it was legal and customary to drill such wells upon 40 acre tracts. Existing well location prevents the dedication of additional acreage to the above wells.

3.

Allowable production is allocated to the above wells under Rule 9 of Order No. R-565-C as amended by Order No. R-967, which rule does not contain a provision for a minimum allowable to prevent premature abandonment of wells. The assignment of a minimum allowable in excess of that allocable to the above wells under existing rules is necessary to prevent premature abandonment of such wells and resulting waste growing out of the loss of otherwise recoverable gas.

4.

Applicant submits that the failure of the existing rules to make provision for a minimum allowable to prevent premature abandonment of wells is prejudicial to Applicant's interest and that the Commission should not penalize Applicant through application of the acreage attribution factor in the proration formula since the subject wells were drilled prior to establishment of the present 160 acre spacing. Under the equitable relief provided in Article 65-3-14 New Mexico Stat. 1953 Anno., Applicant is entitled to an exception to Rule 9 of Order No. R-565-C, as amended by Order No. R-967, allowing Applicant a minimum allowable for each of the above described wells in order to prevent premature abandonment thereof and resulting waste.

5.

Applicant requests that the hearing on this application be conducted before an Examiner designated by the Commission.

6.

Attached hereto as Exhibit "A" is, to the best of Applicant's knowledge, a list of the names and addresses of all parties owning oil and gas leases which offset the above described wells.

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WHEREFORE, Angels Peak Oil Company respectfully requests that an Examiner Hearing at Santa Fe, New Mexico, be set at as early a date as possible, that due notice thereof be given in accordance with the laws of the State of New Mexico and the rules and regulations of the Oil Conservation Commission and that upon such hearing each of the above described wells be assigned a minimum allowable in exception to Rule 9 of Order No. R-565-C, as amended by Order No. R-967.

Respectfully submitted,

ANGELS PEAK OIL COMPANY

By William S. Jameson
Its Attorney

STATE OF TEXAS)
)
COUNTY OF DALLAS)

William S. Jameson being first duly sworn states that he is attorney for Angels Peak Oil Company, Applicant in the foregoing Application; that he has read said Application, and to the best of his knowledge, information and belief, all statements of fact contained therein are true and correct.

William S. Jameson
William S. Jameson

Sworn to and subscribed before me, the undersigned authority, on this the 8th day of January, 1959.

Genevalois Gregory
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1959