

Case No.

596

Application, Transcript,
Small Exhibits, Etc.

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas

September 23, 1953

H. F. STEEN
VICE PRESIDENT AND
GENERAL SUPERINTENDENT

SEP 23 1953

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

Dear Dick:

I wish to express my sincere appreciation to you for passing along the letter you sent me several days ago. I am enclosing herewith photostatic copies of letters that comprise the complete file in our dealings with Mr. Rohles.

I believe after reviewing the letters you will be able to get a clear idea of what has gone before in this tentative transaction. You will see that we have endeavored to communitize with Mr. Rohles, also have offered to buy his acreage at \$50.00 per acre, which we feel is a fair price, and, even to carry his part of the well cost until it has paid itself out, and then give him his full share in the production. Also, to pay for the probaton of his late father's will.

As it is apparent that we will not be able to trade with this man we will probably elect to ask the Commission to either exclude his forty acres from the drill site, or to force Mr. Rohles to communitize his acreage with ours. Although I have not yet discussed this with our attorney, I imagine photostats such as the ones enclosed will be used in evidence in our case before the Commission.

Again thanking you for your consideration in sending the letter to me, I am

Sincerely yours,

H. F. Steen

HFS/mjr

PLEASE RETURN TO
LEASE DEPARTMENT
GENERAL DELIVERY
NEW YORK 7, N. Y.

August 1, 1953

Mr. R. L. Hamblin
El Paso Natural Gas Co.,
Tenth Floor, Bassett Tower
El Paso, Texas



Re: State of New Mexico
Lease L-2889

SW/4 SE/4 Sec. 32-30N-8W

Dear Mr. Hamblin:

As to your question in your letter of July 27, 1953 concerning possible delay by me of San Juan Basin development, I feel I must inform you that I have been interested in this area since 1931, and am well informed that major development--both oil and gas--has been purposely delayed in this area over a period of twenty-five to thirty years by certain interests who did not find it expedient to develop this area until now.

In fact, I have personally experienced this delay as a substantial stockholder in companies interested in the Basin and also as a substantial lease-holder, which delay caused relinquishing of considerable holdings and acreage by companies and individuals.

Certainly such vision and foresight and prolonged faith in the area's potential (now so Proven) entailed much that does not appear on the mere dollar-and-cents surface. I would not have you think, for a minute, that you are dealing with an individual who bought a forty acre tract yesterday, hoping for a free ride and a quick profit. While a quick glance at the records might not reveal the time, money and effort that I and my associates and family have put into this area, nor would it perhaps disclose how heavily interested financially were many individuals who did not live to see their vision and faith rewarded--surely you must realize that I would want to co-operate with you in the long-awaited development of the San Juan Basin.

In view of the fact that the cost of drilling the well will be amortized over a period of almost three years, of which I would receive a negligible income from the production then, and realizing that the well production will be cut after the cost has been absorbed, I do not see how I can afford to accept any offer below \$100 per acre, and an overriding oil and/or gas royalty, in my name.

In view of extenuating circumstances affecting my step-mother, your offer to pay for and handle the cost of probating the estate is a prerequisite, since the New Mexico probate involves only my 40 acre tract in Sec. 32 and the other 40 acre piece, as also is your offer to take care of the matter relative to time and trouble.

I trust when you have reviewed what I have set forth above that

Working with Father's Office

Very much yours,



CR:8

July 25, 1933

Mr. Arthur Rabl
General Delivery
New York 7, N. Y.

Re: State of New Mexico
Lance Rabl
M/L M/L M/L M/L M/L

Dear Mr. Rabl:

I am in receipt of your letter dated July 17, 1933 regarding the above lease. I appreciate your writing and giving me your thoughts in connection with the above lease. I am sorry you could not see your way clear to accept our offer, as your mother would have also disposed of her lease. You and your mother show considerable knowledge of oil and gas law, which certainly helps in discussing the matter with you.

I am unable to offer you \$100.00 an acre—\$50.00 is the limit I can go. However, I believe there is a solution. You believe your lease is worth more than \$50.00 an acre, due to the possibility of deeper oil production. There is the possibility that oil may be discovered in the Pennsylvanian or some deeper formation. However, this may be as deep as 1500 feet. We are interested in the gas in the Mancosha formation. Why not sell us the leasehold below the base of the Mancosha formation only, and you retain all rights above the base of the Mancosha formation? This can be done by Operating Agreement but not by direct assignment.

should
be
16,000

I will be very frank and tell you that we have just completed our #1 State well on the north of Section 36. This well had an initial potential of 7,000 barrels of gas per day. As you see no doubt well among the entire E/2 or Section 36 North indicates your lease should be dedicated to this well and the gas produced thereon on an average basis. This would be only for the Mancosha formation in which the well is completed. If oil were later discovered at a deeper formation, you would still have a full drill site for an oil well.

As our well is completed, we will begin to producing it and you would be entitled to 1/4th of the net proceeds in this well if you were to pay for 1/4th of the cost of the well. If you would put your acreage with us, we would agree to take your share of the well, agree not of 75% of your share of the production until such time as you were paid, and thereafter you would receive 1/4th of the net proceeds.

It is possible that you may have received a letter from me in the past. I am sorry that I have not been able to get in touch with you more often. I have been very busy with my work, but I have not forgotten you. I am sure that you are doing well and hope that you are happy. I am sure that you are doing well and hope that you are happy.

In the event you are unable to accept either of the two proposals, I am sure that you will be able to find a way to make a decision. I am sure that you will be able to find a way to make a decision. I am sure that you will be able to find a way to make a decision. I am sure that you will be able to find a way to make a decision.

I will certainly appreciate your advising me after you have had time to consider our proposals.

Yours very truly,

R. L. Hamelin

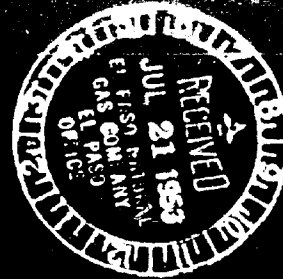
R. L. Hamelin
Louis Department

KLH:ms

cc: Mrs. Lee H. Robbins
420 St. Charles St.
Chicago, Illinois

GENERAL DELIVERY
NEW YORK 7, NEW YORK

July 17, 1953



Mr. R. L. Hamblin
El Paso Natural Gas Co.
Tenth Floor, Bassett Tower
El Paso, Texas

Re: State of New Mexico
Lease E 2869, SW/4 SE/4 Sec. 32 30 N 8W

Dear Mr. Hamblin:

Before I renewed the above lease on August 12, 1949, I previously held this acreage in a lease dated June 22, 1939. The present lease does not expire until August 12, 1959.

- In view of the length of time I have carried this acreage, original purchase price, cost of renewal and rentals over a period of almost fifteen years, possible substantial oil production from deep formations, I feel my asking price of \$100 per acre and a 5% overriding royalty for gas and/or oil production is not unreasonable. I would also expect you to take care of probating my father's estate in the State of New Mexico. In view of your willingness to assume the probating of my father's estate and
1. the cost thereof, I have not asked you for an additional payment
 2. out of oil and/or gas production, which I had contemplated.

Moreover, the Lea County acreage recently sold by my step-mother, while in a proven oil area, had only a year or so left to run, so I feel that factor affected the selling price of that lease, while actually it was a considerably more valuable piece than the selling price showed.

I believe that the reasonable possibility of oil production from deeper oil bearing sands, from which the natural gas must surely come, and the fact that my lease runs until 1959, together with the reasons mentioned above, justify the price I am asking. Moreover, former land commissioners have assured me that the spacing requirement of 320 acres would be rigidly upheld in respect to my lease, and I have no reason to anticipate that the present commissioner, Mr. Walker, will not adhere to the policy of conservation and protection of the lease holders so affected.

Awaiting your further pleasure, I remain

Very truly yours,

Gordon Rohles
GORDON ROHLES

G.R.:s

1954-24, 1955

The State of New Mexico

James H. HARRIS, 12/25/54, San Jose, N.M.

Dear Mr. Harris:

I visited your mother, Mrs. Harris, at her home in Elgin, Arizona, on the 12th of December. She told me in two places in the same house that she had an oil and gas lease in land in New Mexico. She said the lease was in the name of her mother, Mrs. Harris. Although we have written you a letter, we have not received any answer to our headquarters. We are now looking for the lease in the 1/2 of Section 22, Township 23 North, Range 12 East, in the county of Santa Fe, New Mexico. We are the only ones who know of the lease, and we are looking for it. We are looking for the lease in the 1/2 of Section 22, Township 23 North, Range 12 East, in the county of Santa Fe, New Mexico.

We are looking for the lease with the standing requirements of the State of New Mexico. We are looking for the lease only one and will be drilled to the surface. Your lease is in a proven area for oil and gas. It is surrounded by surrounding wells which will produce oil and gas. Your lease, and you would receive nothing for it. We are looking for the lease in the 1/2 of Section 22 and the 1/2 of Section 23, Township 23 North, Range 12 East, in the county of Santa Fe, New Mexico.

We are looking for the lease to your mother, which we would like to

We are looking for the lease in the 1/2 of Section 22, Township 23 North, Range 12 East, in the county of Santa Fe, New Mexico. We are looking for the lease in the 1/2 of Section 22, Township 23 North, Range 12 East, in the county of Santa Fe, New Mexico. We are looking for the lease in the 1/2 of Section 22, Township 23 North, Range 12 East, in the county of Santa Fe, New Mexico.

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Page 2
Mr. Gordon A. Rothman
July 10, 1935

- (3) Upon your agreeing to put your 40 acres in our 200 acre for the remaining term of the lease, the gas will on this tract and the gas from the gas produced by the well from the gas produced from this well. El Paso Natural Gas Company is offering a well is estimated at \$40,000 and the three years would be required to produce from this well. The price of gas is changing which fact, which price is not known.

In connection with our offers (1) and (2) which is made in order to relieve the matter of having your father's estate produced by the lease of the gas which will take considerable time, trouble, and some expense. The gas will be a relief to your mother, who has hesitated to have this lease because of the attorney fees and trouble involved.

We reiterate that you should do something with this 40 acres. If you do so, the gas from beneath your lease will drain out to the gas wells adjoining gas wells. We are unable to offer you what you are looking for, but be able to obtain from your acreage, due to a comparison with the acreage which you recently sold in Los Comas, New Mexico. The price for the acreage in Los Comas, New Mexico, is in a present oil field. Acreage of this kind of production can be obtained is much more valuable than gas acreage, as the gas acreage costs can be recovered much sooner and the profits from oil are much greater.

We would appreciate hearing from you in connection with our offers for this acreage at the earliest possible date. If we do not hear from you, we are unable to make a deal with you, we will have to go before the court at Los Comas and request that we be allowed to produce our well on a 200-acre tract, so that your 40 acres be left out of our well spacing unit. We would not do this without contacting you, as this might affect the value and profitability of your acreage. Therefore, we would appreciate hearing from you within 10 days, and we will cooperate in every way to make a satisfactory deal with you, but with in the best offer we can make for this acreage.

I believe it would be to your mother's advantage to get your father's estate produced in New Mexico, and to produce some profit from these leases, as otherwise they will expire in the not too distant future. In most cases, we would be unable to renew these leases and they would immediately be put up for auction bid to the highest bidder and you would be out your investment. Therefore, please plus all the rental payments you have made.

Very truly,
S. J. [Signature]

THE [illegible]

THE [illegible]

THE [illegible]

THE [illegible]

THE [illegible]

THE [illegible]

EL PASO NATURAL GAS COMPANY
REQUEST FOR MAIL REGISTRATION

To: Mail Desk
Lease Dept
R24

Date: July 14 1953
Re: Lease E-3869
see letter

Please register the attached letter addressed to:

Gordon A. Rohles
General Delivery
New York, N.Y.

and return this memorandum after indicating the registration number.

REGISTER MAIL NO. 105

7/10/53

Form 10-16 (1-51)

E/2 Sec. 32-
30-8

EL PASO NATURAL GAS COMPANY
REQUEST FOR MAIL REGISTRATION

To: Mail Desk
From: Lease Dept
R24

Date: July 10, 1953
Re: E-3869

Please register the attached letter addressed to:

Mrs. Leo N. Rohles
429 St. Charles Street
Elgin, Illinois

and return this memorandum after indicating the registration number.

REGISTER MAIL NO. 104

7/10/53

arrived at the house of
the mother of the child
and found her in a
state of great distress
and anxiety. She
told me that the child
was born at 11 o'clock
on the 25th of
February 1856.
The child was
born at 11 o'clock
on the 25th of
February 1856.
The child was
born at 11 o'clock
on the 25th of
February 1856.

Elaine Lee

March 12, 1953

40 Sw
50 Sw

My dear Mr. [redacted]
I am writing to you regarding
the [redacted] of the [redacted]

SW 1/4 Sec 32 Twp 30 N. Rge 11 W
40 Acres
NE 1/4 Sec 32 Twp 30 N. Rge 11 W
40.00 Acres

I am writing to you regarding
the [redacted] of the [redacted]
specification [redacted] [redacted]
Date 11/19/51 or 1954

Very truly yours
Elaine Lee



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 596
ORDER NO. R-398

THE APPLICATION OF EL PASO
NATURAL GAS COMPANY FOR
COMPULSORY COMMUNITIZATION
OF THE EAST HALF OF SECTION 32,
TOWNSHIP 30 NORTH, RANGE 8 WEST,
SAN JUAN COUNTY, NEW MEXICO OR,
IN THE ALTERNATIVE FOR APPROVAL
OF AN UNORTHODOX DRILLING UNIT
OF 280 ACRES, MORE OR LESS, IN
THE EAST HALF OF SAID SECTION
32, TOWNSHIP 30 NORTH, RANGE
8 WEST.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a. m., on October 15, 1953, at Santa Fe, New Mexico before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 17th day of December, 1953, the Commission, a quorum being present having considered the records and the testimony adduced and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That applicant, together with others, is the owner of the entire working interest under oil and gas leases covering the East half of Section 32, Township 30 North, Range 8 West, San Juan County, New Mexico.

(3) That the East half of Section 32, Township 30 North, Range 8 West is situated within the Blanco-Mesaverde Gas Pool as designated by the Commission.

(4) That by its Order No. R-110 the Commission established a uniform spacing plan for the Blanco-Mesaverde Gas Pool, said plan providing for drilling units of not less than 320 acres of land in the shape of a rectangle and provided further that "the pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of the uniform spacing plan of proration units, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover his just and equitable share of the crude petroleum oil and natural gas in the pool".

(5) That by its Order R-110, the Commission provided that "no well shall be drilled or completed or recompleted and no Notice of Intention to Drill or drilling permit shall be approved, unless such well be located on a

designated drilling unit of not less than three hundred twenty (320) acres of land, more or less, according to legal subdivision of the United States Land Surveys, in which unit all the interests are consolidated by pooling agreement or otherwise and on which no other well is completed or approved for completion, in the pool.

(6) That applicant has made extensive efforts to communitize the acreage lying within the East half of Section 32 and has only been successful in obtaining signatures from working interest owners covering 280 acres of the land lying within the 320 acre drilling unit.

(7) That the following working interest owner of the following described 40 acres, lying within the 320 acre designated drilling unit, has not signed the communitization or pooling agreement:

Gordon Rohles, General Delivery, New York
7, New York -- SW/4 SE/4, Section 32, Township 30 North, Range 8 West, NMPM., containing 40 acres, more or less.

(8) That applicant and other owners of oil and gas leasehold rights who desire to communitize or pool the leases into a uniform spacing unit will be deprived of their opportunity to recover their just and equitable share of the natural gas in the gas pool lying under the tracts of land covered by their leases unless this Commission requires the owners of oil and gas leasehold interests or mineral rights who have not joined in the communitization agreement to communitize or pool their interests to form a proper spacing unit.

(9) That the applicant should furnish this Commission with a copy of the unit operating agreement.

(10) That the costs of development and operation of the pooled unit shall be limited to the lowest actual expenditures required for such purpose, including a reasonable charge for supervision; and in case of any dispute as to such costs, the Commission shall determine such costs.

(11) That the drilling of a well or wells on an isolated 40-acre tract lying within the E/2 of Section 32 would be wasteful.

IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company for compulsory communitization of the East half of Section 32, Township 30 North, Range 8 West, NMPM., San Juan County, New Mexico be, and the same hereby is approved, and the lands listed under State Oil and Gas Lease E-2869 owned by Gordon Rohles, his successors or assigns, insofar as it covers the SW/4 SE/4 Section 32, Township 30 North, Range 8 West, NMPM., be and the same hereby is ordered communitized with the remaining 280 acres, more or less, lying within the East half of Section 32, Township 30 North, Range 8 West, NMPM.

(2) That the operator of the unit area, El Paso Natural Gas Company, shall furnish this Commission with a copy of the unit operating agreement together with any other pertinent data which the Commission may, from time to time, deem necessary in order to determine that each owner of oil and gas leasehold interests or mineral rights receives his just and equitable share of the proceeds received from the sale of oil or gas, or both.

PROVIDED FURTHER, That nothing herein contained shall be construed as making any determination as to title or ownership of any lease or leases

-3-

Order No. R-398

or mineral interests involved herein.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



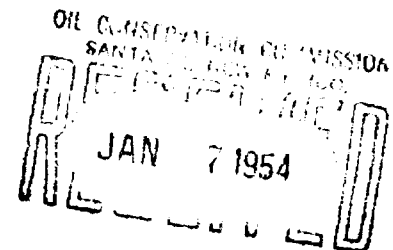
E. S. WALKER, Member



R. R. SPURRIER, Member and Secretary

SEAL

January 4, 1954



Mr. E. S. Walker
Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

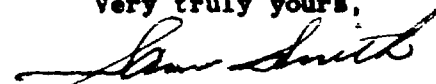
In Re: El Paso Natural Gas Company's State #1
E/2 Section 32, T-30-N, R-8-W, N.M.P.M.,
San Juan County, New Mexico

Dear Mr. Walker:

Enclosed please find five (5) copies of a Communiti-
zation Agreement covering the above acreage which has been
executed by Mr. Gordon Rohles. This Agreement has been
executed in counterpart; the other parties having signed
the copies of the Agreement which have been filed in your
office.

Since we have acquired the signature of Mr. Rohles
to this Communitization Agreement and in view of Order R-398,
entered by the Commission under date of December 17, 1953, in
Case 596, we trust that you will find this Agreement in order
for approval.

Very truly yours,


Samuel Smith
Lease Department

SS:ha
Encls.
NM 603

cc-Mr. R. E. Spurrier, Secy. ✓
Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

cc-Mr. R. L. Hamblin
Lease Department

cc-Mr. Ben R. Howell
Bassett Tower
El Paso, Texas

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 21, 1953

Mr. Ben Howell, Attorney
El Paso Natural Gas Company
Bassett Tower
El Paso Texas

Dear Mr. Howell:

RE: Case 596

Enclosed is a signed copy of Order R-398 entered by the Commission under date of December 17, 1953, in Case 596.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mr

cc: Mr. Gordon Rohles
General Delivery
NEW YORK 7 - N. Y.

C
O
P
Y

El Paso Natural Gas Company

TENTH FLOOR BASSETT TOWER

El Paso, Texas
February 9, 1954

Wom
Hub
file

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

FEB 10 1954

Attention: Mr. W. B. Macey

In Re: Case 596

Gentlemen:

In accordance with your Order R-398 by the Commission December 7, 1953, in Case 596, please find enclosed a copy of the executed Operating Agreement covering the acreage in the E/2 of Section 32, Township 30 North, Range 8 West, N.M.P.M., San Juan County, New Mexico.

Very truly yours

Samuel Smith
Samuel Smith
Lease Department

SS:ha
Encl.
NM 603

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 21, 1955

Greenbrier Oil Company
327 South Adams
FORT WORTH, TEXAS

Gentlemen:

As you requested, we are sending you basic information and material in three fairly representative cases brought before this Commission on the issue of compulsory communitization. The material includes the following:

Case 566: Application;
transcript of August 20, 1953, hearing;
copy of Order R-357.

Case 595: Application;
transcript of October 15, 1953, hearing;
copy of Order R-396.

Case 596: Application;
transcript of October 15, 1953, hearing;
copy of Order R-398.

I will greatly appreciate your returning this when you have completed your study, as these documents are from our permanent files.

Very truly yours,

W. B. MACEY
Secretary-Director

WBM:nr

Encl.

C
O
P
Y

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearings to be held at 9 o'clock a. m. on October 15, 1953, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following cases,
and notice to the public.

(Note: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.)

CASE 595:

In the matter of the application of El Paso Natural Gas Company for compulsory unitization of the E/2 of Section 32, Township 31 North, Rge. 10 West, San Juan County, New Mexico; or, in the alternative, for approval of an unorthodox drilling unit of 240 acres, more or less, in the E/2 of said Section 32, Township 31 North, Range 10 West.

CASE 596:

In the matter of the application of El Paso Natural Gas Company for compulsory unitization of the E/2 of Section 32, Township 30 North, Range 8 West, San Juan County, New Mexico; or, in the alternative, for approval of an unorthodox drilling unit of 280 acres, more or less, in the E/2 of said Section 32, Township 30 North, Range 8 West.

GIVEN under the seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, this 28th day of September, 1953.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A. R. Spurrier,
Secretary

S E A L

Mr. Gordon Rohles
General Delivery
New York 7 - NEW YORK

*Sent Registered
9-28-53*

The above notice represents proper legal advertisement as made in New Mexico publications in counties concerned as required by Rules and Regulations.

COMMUNITIZATION AGREEMENT

El Paso Natural Gas State #1

RECEIVED
LAND OFFICE
OCT 15 1 43 PM '55
SANTA FE, N.M.

THIS AGREEMENT made and entered into on this 10th day of May, 1953, by and between EL PASO NATURAL GAS COMPANY, a Delaware corporation, whose address is P. O. Box 1492, El Paso, Texas (hereinafter sometimes referred to as "El Paso"); DELHI OIL CORPORATION, a Delaware corporation, whose address is Corrigan Tower, Dallas, Texas; SKELLY OIL COMPANY, a Delaware corporation, whose address is Tulsa 2, Oklahoma; and GORDON ROHLES, whose address is General Delivery, New York 7, New York:

W_I_T_N_E_S_S_E_T_H:

WHEREAS, El Paso is the present owner and holder of that certain New Mexico State Lease bearing Serial Number B-10938-36, formerly a part of New Mexico State Lease B-10938, executed in favor of Lillian V. Browne as Lessee, under date of January 19, 1944, by the State of New Mexico as Lessor, embracing among other lands the following described land in San Juan County, New Mexico:

Township 30 North, Range 8 West, N.M.P.M.
Section 32: NE/4
containing 160.00 acres, more or less; and

WHEREAS, Blanco Gas Company is the present owner and holder of that certain New Mexico State Lease bearing Serial Number E-1641-3, formerly a part of New Mexico State Lease E-1641, executed in favor of J. J. Hudson as Lessee, under date of December 10, 1947, by the State of New Mexico, as Lessor, embracing among other lands the following described land in San Juan County, New Mexico:

Township 30 North, Range 8 West, N.M.P.M.
Section 32: NW/4 SE/4
containing 40.00 acres, more or less; and

WHEREAS, Blanco Gas Company was merged with Delhi Oil Corporation; and

WHEREAS, Skelly Oil Company is the present owner and holder of that certain New Mexico State Lease bearing Serial Number E-5383, executed in favor of Skelly Oil Company as Lessee, by the State of New Mexico as Lessor, under date of July 10, 1951, embracing among other lands the following described land in San Juan County, New Mexico:

Township 30 North, Range 8 West, N.M.P.M.
Section 32: E/2 SE/4
containing 80 acres, more or less; and

WHEREAS, Gordon Rohles is the present owner and holder of that certain New Mexico State Lease bearing Serial Number E-2869 issued by the State of New Mexico as

Lessor under date of August 12, 1949 and embracing among other lands the following described land in San Juan County, New Mexico:

Township 30 North, Range 8 West, N.M.P.M.
Section 32: SW 1/4 SE 1/4
containing 40.00 acres, more or less; and

WHEREAS, in order to expedite the execution of this Agreement, all of the overriding royalty owners on each of the above described tracts are ratifying this Agreement; and

WHEREAS, under the applicable rules and regulations of the Oil Conservation Commission of the State of New Mexico, it is necessary to form a tract or unit consisting of 320 acres of land for the drilling of a Mesaverde well; and

WHEREAS, Article 8-1138 of the New Mexico Statutes (Laws 1943, ch. 88, sec. 1, page 146) provides that for the purpose of more properly conserving the oil and gas resources of the State of New Mexico, the Commissioner of Public Lands may consent to and approve the development or operation of State Lands under agreements made by Lessees of State Lands, jointly or severally, with other Lessees of State Lands; and

WHEREAS, it is the desire of the parties hereto to communitize their respective interests in the above described Oil and Gas Leases in order to form one tract or drilling unit as follows:

Township 30 North, Range 8 West, N.M.P.M.
Section 32: E 1/2
containing 320 acres, more or less; and

WHEREAS, in order to be consistent with the existing rules and regulations covering well spacing and production allowables, all of the parties to this Agreement desire to operate the communitized unit for the purpose and intention of developing and producing dry gas and liquid hydrocarbons extracted therefrom in accordance with the terms and provisions of this Agreement;

NOW, THEREFORE, in consideration of the premises and mutual advantages resulting from this Agreement, it is mutually covenanted and agreed by and between the parties hereto that the land subjected to this Agreement shall be developed and operated for dry gas and liquid hydrocarbons extracted therefrom producible from the Mesaverde formation as an entirety, with the understanding and agreement that the dry gas and liquid hydrocarbons extracted therefrom so produced from the communitized area from such formation shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage

interest committed hereto. The royalties payable on the dry gas and liquid hydrocarbons extracted therefrom so allocated to the lands comprising the leaseholds and the rentals provided for in said leases shall be determined and paid on the basis respectively prescribed in the individual leases. There shall be no obligation on the parties hereto to offset any dry gas well or wells completed in the Mesaverde formation on separate component tracts into which said communitized tract is now or may hereafter be divided, nor shall either party be required to separately measure said dry gas and liquid hydrocarbons extracted therefrom by reason of the diverse ownership of the dry gas or liquid hydrocarbons extracted therefrom in or under said tract, but the parties hereto shall not be released from their obligation to protect said communitized tract from drainage by a dry gas well or wells which may be drilled offsetting said tract. Payment of the rentals under the terms of the leases hereinabove mentioned and described shall not be affected by this Agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided.

Except as herein modified and changed, said oil and gas leases hereinabove described shall remain in full force and effect as originally made and issued. It is further agreed that the commencement, completion, continued operation or production of a well or wells for dry gas on the communitized tract from the Mesaverde formation shall be construed and considered as the commencement, completion, continued operation or production as to each lease committed hereto.

It is further agreed that all production of dry gas and disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable federal or state statutes. The provisions of this Agreement shall be subject to all applicable federal and state laws, executive orders, rules and regulations which affect performance of any of the provisions of this Agreement, and no party hereto shall suffer a forfeiture or be liable in damage for failure to comply with any of the provisions of this Agreement if such compliance is prevented by, or if such failure results from compliance with any such laws, orders, rules or regulations.

El Paso shall be the Operator of the communitized tract and all matters of operation and adjustments between the parties hereto shall be determined and performed by El Paso.

This Agreement shall be subject to the consent and approval of the Commissioner of Public Lands of the State of New Mexico.

This Agreement shall be effective as of the date hereof, upon execution by the parties hereto, notwithstanding the date of execution, and shall remain in full force and effect for a period of two (2) years and so long thereafter as dry gas is produced from any part of said communitized tract in paying quantities; provided, that, upon fulfillment of all requirements of the New Mexico Oil Conservation Commission with respect to any dry hole or abandoned well, and prior to production in paying quantities of gas and liquid hydrocarbons extracted therefrom from said communitized tract, this Agreement may be terminated at any time by the mutual agreement of the parties hereto.

This Agreement shall be binding upon the parties hereto and shall extend and be binding upon their heirs, executors, administrators, successors and assigns, and may be executed in one or more counterparts by any of the parties hereto, and all counterparts so executed shall be taken as a single Agreement and shall have the same force and effect as if all parties had in fact executed a single Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year hereinabove written.

ATTEST:

AC Martch
Assistant Secretary

EL PASO NATURAL GAS COMPANY

By F. F. Shaw
Vice President

ATTEST:

Katherine Vaughn
Asst. Secretary

DELHI OIL CORPORATION

By W. W. Newton
Vice President

ATTEST:

Louis B. Slesman
Asst. - Secretary

SKELLY OIL COMPANY

By A. R. Cashman
Vice President

Approved as to
Form W/KH

Gordon Rohles

OFFICE OF COMMISSIONER OF PUBLIC LANDS
Santa Fe, New Mexico

I HEREBY CERTIFY that the foregoing Communitization Agreement was filed in my office on the 15 day of October, 1953 and CONSENTED TO and APPROVED by me on October 16, 1953.

Ed Walker
Commissioner of Public Lands

STATE OF TEXAS)
)
COUNTY OF EL PASO)

On this 8th day of October, 1953, before me appeared H. F. Steen, to me personally known, who, being by me duly sworn, did say that he is the Vice President of EL PASO NATURAL GAS COMPANY, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said H. F. Steen acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:

Elsie M. Richardson
~~Notary Public, in and for El Paso County, Texas~~
My commission expires June 1, 1955

Elsie M. Richardson
Notary Public, County of El Paso,
State of Texas

STATE OF TEXAS)
)
COUNTY OF DALLAS)

On this 20th day of September, 1953, before me appeared W. W. Newton, to me personally known, who, being by me duly sworn, did say that he is the Vice President of DELHI OIL CORPORATION, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said W. W. Newton acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:

June 1, 1955

Marguerite Spencer
Notary Public, County of Dallas,
State of Texas

MARGUERITE SPENCER
Notary Public, Dallas County, Texas
My Commission Expires June 1, 1955

STATE OF OKLAHOMA)
)
COUNTY OF TULSA)

On this 2nd day of October, 1953, before me appeared CASHMAN, to me personally known, who, being by me duly sworn, did say that he is the Vice President of SKELLY OIL COMPANY, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said CASHMAN acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:

HAZEL M. BRADY
Notary Public, Tulsa County, Oklahoma
My Commission Expires January 21, 1957

Hazel M. Brady
Notary Public, County of Tulsa, State
of Oklahoma

STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

On this _____ day of _____, 1953, before me appeared Gordon Rohles, to me known to be the person described in and who executed the foregoing instrument, and acknowledged to me he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

My commission expires:

Notary Public, County of New York,
State of New York

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 10, 1953

Mr. Gordon Rohles
General Delivery
New York 7, New York

Re: State Oil and Gas Lease E-2869, 40-Acres
in Section 32, Township 30 North, Range 8 West.

Dear Sir:

The Commissioner of Public Lands has referred to this office your letter of August 31, 1953 in the above captioned matter.

The Oil Conservation Commission of New Mexico administers the Oil Conservation Law - (Chapter 168, NM Laws of 1949). This law expresses the public policy of the State with respect to oil and gas. The idea is to prevent waste and protect correlative rights.

The Oil Commission has, after notice and hearing, set the spacing of gas wells in the area in which you hold state acreage at one such well to each 320 acres.

Within the near future, in the interest of conservation, in all probability the Oil Commission will find it necessary to prorate gas production in which case you would be permitted to drill your well but would not be permitted to produce it in excess of 1/8 of the 320-acre allowable - you could not, the price of gas considered, afford to do this.

The El Paso Natural Gas Company with 7/8 of such 320-acre allowable could afford to drill its acreage.

Only after notice and hearing, does the Oil Commission attempt to work out situations such as you find yourself in.

To invoke the Commission's authority either El Paso or yourself, with permission of the State Land Office should make application to it to pool the

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Mr. Cordon Rohles, p. 2
9-10-53

the acreage to make a full 320-acre unit, in which case you would then be entitled to your share of the production in case El Paso should drill. This, of course, if you are not able to make a sale of your interest.

Very truly yours,

OIL CONSERVATION COMMISSION

By:

George Graham
Legal Advisor

GG:vc

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GENERAL DELIVERY
NEW YORK 7, N.Y.

August 31, 1953

RE: State of New Mexico Lease
E 2869, SW/4SE/4 SEC. 32 30N 8W

E. S. Walker, Commissioner
Box 791
Santa Fe, New Mexico:

Dear Commissioner:

El Paso Natural Gas Co. is negotiating with me for purchase of the above captioned acreage.

They have a producing gas well already drilled on an adjoining 280 acre tract. According to conservation ruling they must have my 40 acres to complete the well spacing.

They are not willing to meet the price I am asking them, which I feel is fair because I have held the acreage one previous ten year period and renewed the lease again in 1949, in Lease Number E 2869.

They admit that they can draw gas away from my acreage and that if I do not accept their offer, they will get permission from you for the well on a 280 acre spacing.

Since I feel that my asking price is justified, and that they should have approached me before drilling the well, although their hasty action was prompted by their lease expiration date, I must have your assurance that you will uphold the conservation ruling. This policy was formulated for the protection of the lease holders and the conservation of our New Mexico natural resources, which are expecially important to our country at this time.

I am confident that you will carry out the trust placed in you to enforce this protection and I will appreciate your informing me as to your proposed action in this matter.

Very truly yours,

/s/ Gordon Rohles
GORDON ROHLES

In reply refer to:
LEGAL

September 4, 1953

Mr. Gordon Rohles
General Delivery
New York 7, N. Y.

In Re: State of New Mexico Lease
E 2869, SW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 32, T. 30 N.,
R. 8 W.

Dear Mr. Rohles:

I acknowledge receipt of your letter dated
August 31, 1953, in which you refer to the above
mentioned lease.

Questions pertaining to oil spacing and re-
lated matters are handled by the State Oil Conserva-
tion Commission and not by this office. Your letter
has been referred to the attorney for the Commission
and you should hear from him within the next few days.

Yours very truly,

E. S. WALKER
Commissioner of Public Lands

AJA:ESW:EM

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Legal Notice OCC Hearing

Publication:

Date: Oct 15 1953 hearing

SF
Farmington

CASE 576 :

In the matter of the application of El Paso Natural Gas Company
for compulsory unitization of E/2 Section 32, ⁸ Township 30 North, Range ~~10~~
West, NMPM, San Juan County, New Mexico; or, in the alternative, for ap-
proval of an unorthodox drilling unit of 280 ^{more or less} acres, in the E/2 of said
Section 32, ⁸ Township 30 North, Range ~~10~~ West.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

CASE 596:

In the matter of the application of El Paso Natural Gas Company for compulsory unitization of the E/2 of Section 32, Township 30 North, Range 8 West, San Juan County, New Mexico; or, in the alternative, for approval of an unorthodox drilling unit of 280 acres, more or less, in the E/2 of said Section 32, Township 30 North, Range 8 West.

TRANSCRIPT OF HEARING

October 15th, 1953

BEFORE: Honorable Ed. L. McChesney, Governor
Honorable E. S. Walker, Land Commissioner
Honorable R. E. Spurrier, Director, OCC

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I HEREBY CERTIFY THAT the within transcript of proceedings before the Oil Conservation Commission is a true record of the same to the best of my knowledge, skill and ability.

DONE at Santa Fe, N.M., this 17th day of October, 1953.

Margaret L. Allan
Reporter

SWORN TO before me this 17th day of October, 1953.

McDonough
Notary Public

My Commission Expires:

September 21, 1954

CASE 596:

In the matter of the application of El Paso Natural Gas Company for compulsory unitization of the E/2 of Section 32, Township 30 North, Range 8 West, San Juan County, New Mexico; or, in the alternative, for approval of an unorthodox drilling unit of 280 acres, more or less, in the E/2 of said Section 32, Township 30 North, Range 8 West.

COM. SPURRIER: Let us move on to Case 596.

BEN HOWELL: My name is Ben Howell and I represent the El Paso Natural Gas Company. Roland Hamblin and Foster Morrell are also here. Will they have to be sworn again?

COM. SPURRIER: We will remind them that they have been sworn.

MR. HOWELL: Will you please take the stand, Mr. Hamblin?

R. L. HAMBLIN

having previously been sworn, testified as follows:

DIRECT EXAMINATION

BY MR. HOWELL:

Q Will you state your name for the record and also whether or not you are connected with the El Paso Natural Gas Company?

A Roland Hamblin and I am connected with the El Paso Natural Gas Company.

Q Are you the Manager of the Lease Department?

A Yes, I am the Manager of the Lease Department.

Q Are you familiar with lease ownership in the E/2 of Section 32, Township 30 North, Range 8 West in San Juan County?

A Yes, I am.

Q Will you state briefly what is the ownership of the oil and gas lease interest in that half section?

A El Paso Natural Gas Company is the owner of 160 acres, being the NE/4 of Section 32. Skelly Oil Company is the owner of 80 acres and Gordon Rohles is the owner of 40 acres.

Q Now how much has been committed to the communitization agreement?

A There are 280 acres in the communitization agreement.

Q Has it been filed?

A That is on file with the Commissioner of Public Land.

Q And what is the 40 acres that is not included in this Agreement?

A State of New Mexico lease E-2869, which is the SW/4 of the SE/4 of Section 32 NW.

Q Who is apparent owner of that oil and gas lease?

A Gordon Rohles.

Q Will you please state to the Commission briefly the efforts that you have made to obtain Mr. Rohles' consent to join in the communitization in drilling a well or in the buying of his leasehold interest?

A On June 3rd, 1953, we wrote Mr. Gordon Rohles and asked him for information as to his lease, but did not receive a reply. We wrote him another letter dated July 10th. Before that time, after we had obtained his ownership, I went back to Elgin, Illinois and contacted his Mother, in connection with an offer to buy this acreage or

invite them to join with us in the drilling of a well. He was not present.

Q About what time was that?

A That was approximately the third day of July, 1953. On July 10th, having received no definite answer, we wrote Mr. Gordon Rohles a registered letter offering him fifty dollars an acre for his forty acres or asking him to join with us in drilling a well. He refused in a letter of July 17th and he asked \$100 an acre for his acreage. We had further additional correspondence - a letter to Mr. Rohles dated July 27th stated the fact that we could not pay the \$100. per acre that he asked and a letter dated August 1st from Mr. Rohles advising us he was still holding out for \$100. an acre.

Q Have you, in the last year or so, received any further communication from Mr. Rohles?

A Yes, sir, we did receive just recently a letter dated October 9th, 1953 which was received on October 13th which we believe to be a conditional acceptance of one of our offers contained in our letters, in which he did agree to join with us in the drilling of this well.

Q Will you read that letter?

A Mr. R. L. Hamblin
El Paso Natural Gas Co.
Tenth Floor, Bassett Tower
El Paso, Texas

Re: State of New Mexico
Lease E - 2869
SW/4 SE/4 Sec. 32-30N-8W

Gentlemen:

After giving the matter considerable thought, I have decided to accept the offer outlined to me in your letter of August 27th, outlining to me as and if I pool my acreage with you on this well, you agree to take my share of the well costs out of 75% of my share of the production until such well costs were paid, and after that I would receive one-eighth of the profit.

You also agreed to handle the probate of my deceased father's estate in the State of New Mexico.

I appreciate your advice in the matter and the time which you have granted me to consider your proposal.

Yours very truly,

GORDON ROHLES

"

Q (Mr. Howell) Is that clear in your mind as to what terms are acceptable to him?

A That is due to the definition or his use of "1/8th of net profits" and also the cost of probating his deceased father's estate.

Q So that matter has not been settled?

A No, it has not been settled in detail.

Q Are you willing to negotiate, if it is possible to do so, an agreement upon terms whereby the Company would advance his share of the cost provided we can make a recovery out of the net profits?

A We are acceptable to negotiating with Mr. Rohles and we did advise him by letter of October 15th that we are acceptable to this and sent him a communitization agreement and we have attempted

to explain more fully and settle the question of one-eighth of net profits and the matter of probating his father's estate.

Q (MR. WHITE:) Mr. Hamblin, is the well already drilled?

A The well is completed. It is a commercial well with a potential of 7,600 -

Q When does Mr. Rohles' lease expire?

A It did expire August 11th, 1959.

Q And he did make an offer in which he is willing to sell you his lease for \$100.00 an acre?

A That is correct. He said he would sell his lease at \$100.00 an acre plus a 5% override.

Q (By Mr. Howell) Would you be willing to accept that offer and buy that lease?

A No.

Q (By Mr. White) Was that well in when he made that offer?

A No, it was not. We made an offer and he said he would hold out for \$100.00 per acre prior to the completion date of the well.

COM. SPURRIER: Does anyone else have a question for this witness? If not, the witness may be excused.

(Witness excused.)

FOSTER MORRELL

having previously been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. HOWELL:

Q Will you please state your name for the record?

A Foster Morrell.

Q Have you testified before the Commission before?

A Yes, sir.

Q You have heard the testimony of Mr. Hamblin with reference to this 320 acre tract?

A Yes.

Q Does that lie within the area the Commission has determined, that for the conservation of natural resources, required 320 acres spacing from Mesa Verde?

A The well is located in that area.

Q Is communitization of that 120 acres necessary to permit the owner of each tract to recover his just and equitable share of the gas underlying the 320 acres?

A The communitization, in my opinion, would be necessary for that purpose.

COM. SPURRIER: Does anyone have a question of this witness? If not, the witness may be excused.

(Witness excused.)

MR. HOWELL: I would suggest that this matter be taken under advisement. We are continuing negotiations and if we can reach an agreement, we will notify you promptly.

COM. SPURRIER: The case will be taken under advisement.

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY FOR
COMPULSORY COMMUNITIZATION OF THE
E/2 OF SECTION 32, TOWNSHIP 30
NORTH, RANGE 8 WEST, N. M. P. M.,
SAN JUAN COUNTY, NEW MEXICO, OR,
IN THE ALTERNATIVE, FOR UNORTHODOX
SPACING:

No. 596

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 owner and holder of leasehold rights or gas operating rights to the base of the Mesaverde Formation, under the following described oil and gas lease:

New Mexico State Lease B-10938-36, dated January 19, 1944, Lillian V. Browne, Lessee, embracing, among other land, the following described land in San Juan County, New Mexico: Township 30 North, Range 8 West, N. M. P. M., Section 32, NE/4, containing 160 acres, more or less.

Your Applicant represents that your Applicant and Delhi Oil Corporation are the present owners and holders of leasehold rights or gas operating rights to the base of the Mesaverde Formation under the following described oil and gas lease:

New Mexico State Lease E-1641-3 dated December 10, 1947, J. J. Hudson, Lessee, embracing, among other lands, the following described land: NW/4 SE/4 of said Section 32, containing 40 acres, more or less.

Your Applicant represents that Skelly Oil Company is the present owner and holder of gas leasehold rights to the base of the Mesaverde Formation under the following described oil and gas lease:

New Mexico State Lease E-5383, dated July 10, 1951, Skelly Oil Company, Lessee, embracing, among other lands, the following described land: E/2 SE/4 of said Section 32, containing 80 acres, more or less.

Your Applicant represents that all of the owners of leasehold and gas operating rights to the base of the Mesaverde Formation covering the above described tracts of land, aggregating 280 acres, more or less, have agreed to communitize and pool, and have executed appropriate communitization agreement to communitize

and pool the above described oil and gas leases insofar as said leases cover the above described land, in order to form one tract or drilling unit for the production of dry gas and liquid hydrocarbons extracted therefrom from the surface to the base of the Mesaverde Formation.

Your Applicant further represents that Gordon Rohles, whose address is General Delivery, New York 7, New York, is the present owner and holder of State of New Mexico Lease E-2869, insofar as it covers the SW/4 SE/4 of said Section 32, containing 40 acres, more or less. Your Applicant represents that it has made diligent efforts to enter agreement with Gordon Rohles for communitizing or pooling of the leasehold interest owned by him as to said 40 acre tract, but has been unable to obtain his concurrence or agreement to communitize or pool his leasehold interest. Your Applicant further has offered to pay the reasonable market value of gas leasehold rights to the base of the Mesaverde Formation, but has been unable to purchase such gas leasehold rights from Gordon Rohles.

Your Applicant represents that pursuant to the terms and provisions of Order No. R-110, entered by this Commission, 320 acre spacing has been established for drilling gas wells to the Mesaverde Formation in San Juan County, New Mexico, and that your Applicant desires to allocate the E/2 of said Section 32 as a drilling unit or spacing unit for a Mesaverde gas well.

Your Applicant represents that it and other owners of oil and gas leasehold rights who desire to communitize or pool their leases into a uniform spacing unit will be deprived of their opportunity to recover their just and equitable share of the natural gas in the gas pool lying under the tracts of land covered by their leases unless this Commission requires the owners of oil and gas leasehold interests or mineral rights who have not joined in the communitization agreement to communitize or pool their interest to form a regular spacing unit.

Your Applicant respectfully requests that an appropriate order be entered by the Commission directing the owners of outstanding oil and gas leasehold rights or mineral interests in

the SW/4 SE/4 of said Section 32 to communitize or pool their interests, pursuant to the terms of a communitization agreement which has been filed for approval with the Commissioner of Public Lands of the State of New Mexico.

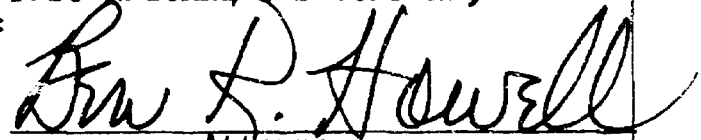
In the alternative, your Applicant requests that if this Commission determine that it will not order compulsory pooling of the E/2 of said Section 32, then, in that event, the Commission issue an appropriate order designating the following tract of land, to-wit:

NE/4, NW/4 SE/4, E/2 SE/4 of said Section 32, containing 280 acres, more or less;

as an unorthodox spacing unit, and permit your Applicant and the cooperating leasehold owners to produce gas therefrom.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY,
By:


Attorney