Case ///o.

931

Application, Transcript, Small Exhibits, Etc.

Nolle

CASE 931: Application of El Paso Natural Gas for 440-acre non-standard gas proration unit, Jalmat, Gregory Federal #1

DEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE NO. 931 Order No. R-687

THE APPLICATION OF EL PASO NATURAL GAS COMPANY FOR AN ORDER GRANTING APPROVAL OF AN EXCEPTION PURSUANT TO RULE 5 (a) OF THE SPECIAL RULES AND REGULATIONS FOR THE JALMAT GAS POOL OF ORDER NO. R-520 IN ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT OF 440 CONTIGUOUS ACRES CONSISTING OF 5/2, 8/2 NW/4, AND NW/4 NW/4 OF SECTION 33, TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMESION:

This cause came on for hearing at 9 o'clock a.m. on July 14, 1955 and on August 17, 1935, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 15th day of September, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations of the Jalmat Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas provation unit consisting of other than a legal section after notice and hearing by the Commission.
- (3) That applicant, El Paso Natural Gas Company is the owner of the gas rights in Lea County, New Mexico on land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM 5/2, S/2 NW/4, and NW/4 NW/4 Section 33

containing 440 acres, more or less.

- (4) That applicant, El Paso Natura: Gas Company, has a producing well on the aforesaid lease known as Gregory Federal No. 1, located 1650 feet from the South and East lines of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (5) That the aforesaid well was completed and in production on May 19, 1955, and is located within the horizontal and vertical limits of the pool heretofore delineated and designated as the Jalmat Gas Pool.
- (6) That it is impractical to pool applicant's said lease with adjoining acreage in the Jalmat Gas Pool and that the owners of adjoining acreage in said section have not objected to the formation of the proposed proration unit of 440 acres.
- (?) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Jalmat Gas Pool.
- (8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company for approval of a non-standard gas proration unit consisting of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM S/2, S/2 NW/4 and NW/4 NW/4 Section 33

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Gregory Federal No. 1, located in the Jalmat Gas Pool, shall be granted an allowable in the proportion that the above described 440 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

> STATE OF NEW MEXICO OHICONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

W. B. MACEY, Member and Secretary

BEFORE THE

Bil Conservation Commission

SANTA FE. NEW MEXICO August 17, 1955

IN THE MATTER OF:

CASE NO. 931

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico

IN THE MATTER OF:

Application of El Paso Natural Gas Company) for approval of a 440-acre non-standard) gas proration unit in the Jalmat Gas Pool,) Lea County, New Mexico, to consist of S/2,) S/2 NW/4, NW/4 NW/4 of Section 33, Town-ship 25 South, Range 37 East, and to be dedicated to applicant's Gregory Federal No. 1 Well located in the NW/4 SE/4 of said Section 33.

Case No. 931

BEFORE:

Honorable John F. Simms Mr. E. S. (Johnny) Walker Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 931.

MR. HOWELL: We have two witnesses to be sworn.

(Witnesses sworn.)

J. J. BOWDEN,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HOWELL:

- Q Will you please state your name?
- A J. J. Bowden.
- Q What position, if any, do you have with El Paso Natural Gas Company?
 - A Area Landman with the Lease Department.
 - Q Are you familiar with the ownership of oil and gas leasehol

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SYENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

rights in Section 33 of Township 25 South, Range 37 East, in Lea County, New Mexico?

A Yes, I am.

MR. HOWELL: A plat covering all of Section 33 and some adjoining wells has been prepared. Will you mark that plat as El Paso's Exhibit No. 1?

(Marked El Paso Natural Gas Company's Exhibit 1, for identification.)

Q With reference to El Paso's Exhibit Number 1, will you state to the Commission the ownership of the oil and gas leasehold rights on those portions of Section 33 which are included within this application, which are outlined on the plat by a slashed line?

A The area covered by the slashed line as to the gas rights, the El Paso Natural Gas Company is the owner to all depths. All of the south half of Section 33, except the east half of the southeast quarter, is owned by the Anderson-Pritchard Oil Corporation. The southeast --

- Q (Interrupting) As to the what rights?
- A As to the oil rights. R. Olsen Oil Company owns the oil rights in the remaining portion of Section 33 covered by the slashed line.
 - Q All right now, in the northwest what is the ownership?
- A In the northeast of the northwest it is our understanding that Stanolind Oil and Gas Company owns the oil and gas rights; in the northeast quarter, it is our understanding that the northwest of the northeast oil and gas rights are held by Gulf, and the remaining acreage in the northeast quarter of Section 33 is held by J. M. Kelly.
 - Q As to the remaining portion of the northwest quarter, what is

the ownership of the oil rights?

A It is our understanding that R. Olsen Oil Company has the remaining portion.

Q Was notice of this hearing given to Stanolind Oil and Gas Company, Gulf, and to J. M. Kelly?

- A Yes, sir.
- Q They were not requested to furnish a waiver, however?
- A No, sir, they were not requested to furnish a waiver.

MR. HOWELL: Will you please mark as Exhibit No. 2 a telegram from R. Olsen, which reads: "I hereby consent to your application to form non-standard gas proration unit in Jalmat Pool, Lea County, New Mexico, as applied for in Case 931 set for hearing July 14, 1955, for your Gregory Federal No. 1 Well. Letter follows. Signed: R. Olsen."

(Marked El Paso Natural Gas Company's Exhibit No. 2, for identification.

- Q Was that telegram received pursuant to the notice given to Mr. Olsen?
 - A That is my understanding.

MR. HOWELL: I think that is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.

(Witness excused.)

MARION E. SPITLER,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HOWELL:

Q State your name, please.

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TELEPHONE 3-6691

- A Marion E. Spitler.
- Q Have you testified before the Commission as a Geologist before?
 - A No. I have not.
- Q Will you state your training professional training and the nature of the work that you have done?
- A I graduated in 1953 from Texas Western College, with a Bachelor of Science Degree in Geology, with a minor in Chemistry, and since that time I have been working for El Paso, at Jal, New Mexico, as and exploration and production geologist, working primarily in Southeast New Mexico.
- Q What is your present status with El Paso Natural Gas Company, what position do you hold?
 - A At this time I am a geologist.
- Q Have you prepared and supervised the preparation of certain studies and data with reference to this Section 33, Township 25 South, Range 37 East?
 - A Yes, sir.
- Q Will you state to the Commission what wells are presently located on the Section 33, within the area covered by this application?
 - A Yes, sir, if you will let me have that data sheet, please.

 (Marked El Paso Natural Gas Company's Exhibit No. 3, for identification.)
- A There are nine wells located on that 440-acre unit. One is the Anderson-Pritchard Gregory Federal No. 1; the El Paso Natural Gas Gregory Federal No. 1; the R. Olsen Company Gregory No. 2, Gregory No. 3, Gregory No. 4, Gregory A-5, Gregory A-6 and the R.

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Olsen, personal, Gregory 1 and 2.

Q Have you prepared a schedule showing each well, the pool in which it is classified, if so classified; the formation in which the well is completed; the producing interval; the type of completion; completion date; initial potential; the allowables; gas-oil ratios for August 1955 as to oil wells, and for June 1955 as to gas wells; the bottom hole pressure where available; the cumulative production of gas from wells into El Paso Natural Gas Company's system?

- A Yes, sir.
- Q Is that data accumulated in the schedule on El Paso's Exhibit
 No. 3?
 - A Yes, sir.
- Q What pools are the other wells located within this 440 acres covered by this application, located and completed at the present time?
- A All of the other wells completed in this proposed unit are from the Langlie-Mattix Pool.
 - Q Is that an oil pool?
 - A Yes, sir.
- Q This El Paso Natural Gas Gregory Federal No. 1 is completed in what formation?
- A It is completed entirely in the Yates Formation within the limits of the Jalmat Gas Pool.
- Q Is that located within the horizontal limits of the Jalmat Gas Pool?
 - A Yes, sir, it is.
 - Q Within the vertical limits of the Jalmat Gas Pool?
 - A Yes, sir.

- Q Has the R. Olsen Gregory No. 1, which is located apparently in the northwest quarter of the southwest quarter of Section 33 -- Let me correct that. Has the R. Olsen Gregory No. 2 been classified at the present time?
 - A No, it has not.
- Q Do you have available as to the formation in which it is completed?
 - A Yes, sir.
 - Q In what interval is it completed?
 - A It is completed from 2970 to 3110 and through perforation.
- Q Have you made any studies to determine whether or not the entire 440 acres covered by the application can reasonably be expected to be productive of gas?
- A Yes, sir, I have prepared a cross section here which outlines the vertical limits of the Jalmat pay. It also shows the tops of the various formations and illustrates the continuity of the Yates sand throughout that 440-acre unit.
- MR. HOWELL: We will mark this cross section as El Paso' Natural Gas Company's Exhibit No. 4.

(Marked El Paso Natural Gas Company's Exhibit No. 4, for identification.)

- Q What accesses did you take for your cross section to cover the tract that is within this application.
 - A The two cross sections are labeled AA Prime, PB Prime.
 - Q What wells does AA Prime cover?
- A. AA Prime starts in the northwest quarter of the section, that is the R. Olsen Oil Company Gregory No. 3 and goes on through the Gregory No. 4, southeast to the El Paso Gregory Federal No. 1; and

then the R. Olsen Oil Company Gregory A No. 6. The second section, BB Prime, which is approximately east incorporates the R. Olsen, personal, Gregory No. 2 and that Gregory Federal No. 1; the El Paso Natural Gas Gregory Federal No. 1 and the R. Olsen Gregory A No. 6.

- Q Is it No. 6 or No. 5?
- A No. 5, I beg your pardon.
- Q What was the basis of the cross section, as to logs? Did you obtain logs of each of these wells?
- A Yes. These are gamma ray Neutron logs which I have correlated to the best of my knowledge, in picking each top in the Jalmat and Langlie-Mattix pays.
- Q Have you shown the correlation by drawing lines which are roughly, horizontal, across the various logs?
 - A Yes, sir.
 - Q And connected the various pays?
 - A Yes, sir.
- Q What formations are shown to be penetrated by each of these wells?
 - A Well, the Tansil, Yates, Seven Rivers and Queen.
- Q Is the Yates Formation the one from which the El Paso Natural Gas Company Gregory Federal No. 1 is producing?
 - A That is correct.
- Q Do you find the Yates Formation present, and correlated in the other wells located throughout the 440-acre tract?
 - A Yes.
- Q In your opinion, is the entire 440 acres reasonably productive of gas from the Yates Formation?
 - A Yes, sir, I believe it is

- Q What is the initial potential of the El Paso Natural Gas Company Gregory Federal No. 1?
 - A It had an absolute openflow of 19,000,000.
 - Q When was it completed?
 - A April the 26th, 1955.
- Q It hasn't been given an allowable up to the present time, or do you know?
 - A No, sir, it has not.
- Q In your opinion, can this well make an allowable that would be incident to a proration unit of 440 acres?
 - A I believe it will.
- Q In your opinion, will this well adequately drain the 440 acres covered by this application?
 - A Yes, sir.
- Q In your opinion, would the granting of this application and our proration unit of 440 acres for this well conserve the oil and gas resources and protect correlative rights?
 - A Yes.

MR. HOWELL: We would like to offer in evidence the four exhibits, El Paso Natural Gas Company's Exhibits 1 through 4, inclusive.

MR. MACEY: Without objection they will be received. Anything further?

MR. HOWELL: That is all from this witness.

MR. MACEY: Anyone have a question of the witness?

CROSS EXAMINATION

By MR. NUTTER:

O I believe that the subject well in this case is the Gregory

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ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

Federal No. 1, El Paso Natural's Gregory Federal No. 1 completed in the Yates?

- A Yes.
- Q That will be in the Jalmat Pool?
- A Yes, sir.
- Q What about this R. Olsen No. 4 which is in the southwest quarter of the northwest quarter, what pool is that completed in?
 - A That well is classified in the Langlie-Mattix.
- Q There is an interval there that is in the Middle Seven Rivers that is open, however?
 - A Yes, sir, to the best of my knowledge that is correct.
 - Q Which is also in the Jalmat?
 - A Yes.
- Q Now, the R. Olsen, Personal, Gregory No. 2, I guess it is, which is in the northwest quarter of the southwest quarter is also open in the Middle Seven Rivers, is it not?
- A Well, yes. The well hasn't been classified and the pay has not been established as yet. However, I do, from the information I have, I believe a part of the perforations are in the Jalmat.

MR. NUTTER: I believe those are the only two that I thought might be in the Jalmat Pool.

By MR. MONTGOMERY:

- Q Our records indicate something a little different. The R. Olsen's wells in the east half, southeast quarter, five and six, our records show that possibly they have Seven Rivers and Queen open.
- A Yes, probably your records are not up to date, because since those two wells were completed they have been reworked and liners have been set in them and they have cased off everything in the

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Jalmat pay.

MR. MONTGOMERY: Thank you.

MR. MACEY: Mr. Montgomery, have you classified these wells, the ones that are in question between the two pays?

MR. MONTGOMERY: Yes, sir, if they have both sections open why I always put it in the oil pool.

MR.MACEY: Anyone else have a question of the witness? If nothing further the witness may be excused.

(Witness excused.)

MR. HOWELL: That is all we have.

MR. MACEY: Anyone have anything further in this case? If nothing further we will take the case under advisement.

STATE OF NEW MEXICO)
: SS.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 25th day of August, 1955.

Notáry Public, Court Reporter

My Commission Expires: June 19, 1959

BEFORE THE

Bil Conservation Commission

Santa Fe. New Mexico July 14, 1955

IN THE MATTER OF:

CASE NO. 931 and 932

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico July 14, 1955

IN THE MATTER OF:

Application of El Paso Natural Gas Company for approval of a 440-acre non-standard gas proration unil in the Jalmat Gas Pool, Lea County, New Mexico, to consist of S/2, S/2 NW/4, NW/4 NM/4 of Section 33, Township 25 South, Range 37 East, and to be dedicated to applicant's Gregory Federal No. 1 Well located in the NW/4 SE/4 of said Section 33.

No. 931

IN THE MATTER OF:

Application of El Paso Natural Gas Company of approval of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico, to consist of W/2 Section 29, Township 26 South, Range 37 East and to be dedicated to applicant's M. L. Parker No. 2 Well, NW/4 NW/4 of said Section 29.

No. 932

BEFORE:

Honorable John F. Simms Mr. E. S. (Johnny) Walker Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next cases on the docket are Cases 931 and 932. Mr. Howell.

MR. HOWELL: If it please the Commission, the El Paso
Natural Gas Company, the proponent, would like to ask for a continuance of these cases to the August hearing.

In Case 931 there has been a well completed by another operator within this 440-acre area and we could not have the completion data

ADA DEARNLEY (LANGUA).

MENORIA ANGELIA (LANGUA).

ALBUQUERGIAN ANGELIA (LANGUA).

FREGORIA ANGELIA (LANGUA).

which we think we should have before us in order to present it to the Commission; and in the other case, we have some question of notice we would like to resolve. We move for continuance in both cases.

MR. MACEY: Is there objection to continuance of Cases 931 and 932? If not, they will be heard at the August 17 hearing.

* * * * * * * *

STATE OF NEW MEXICO)

COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19th day of July, 1955.

Novary Public, Court Reporter

My commission expires:

June 19, 1959.

OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE. NEW MEXICO

September 20, 1955



Mr. R. L. Hamblin El Pase Matural Gas Company P.O. Box 1492 El Paso, Texas

Dear Sir:

We enclose a copy of Order R-683 and Order R-687 issued September 15, 1955, by the Oil Conservation Commission in Cases 932 and 931 respectively, which were heard at the July 14th and August 17th hearings.

Very truly yours,

W. B. Macey Secretary - Director

WBM: brp Encls. 2 Memo Som Dan Inter

Jo Jack Gurley Re case 951

OK to approve. Only question regarding
this particular NSP is the Jack that a

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There would only be one were completed.

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(helen the application is granted, applicant will be legrised on apportunity, to produce his just and egitable share of the gar in the Jahmat fas Pool.

(approval of Said application in the interest of prevention as waste and the protection of correlative Nights.

BEFORE THE
OIL CONSERVATION COMMISSION
FANTA FE, NEW MEXICO

E.P.N.G.CO. EL PASO, TEXAS TELETYME ROOM

WUS4 DL PD DUPLICATE OF TELEGRAM TELEPHONED OKLAHOMA CITY OKLA JULY 9 350PMC 1955 RUL 11 MR WOODRUFF

EL PASO TEX

I HEREBY CONSENT TO YOUR APPLICATION TO FORM NON STANDARD GAS PRORATION UNIT IN JALMAT POOL LEA COUNTY NEW MEXICO AS APPLIED FOR IN CASE 931 SET FOR HEARING JULY 14, 1955 FOR YOUR GREGORY FEDERAL 1 WELL LETTER FOLLOWS R OLSEN.

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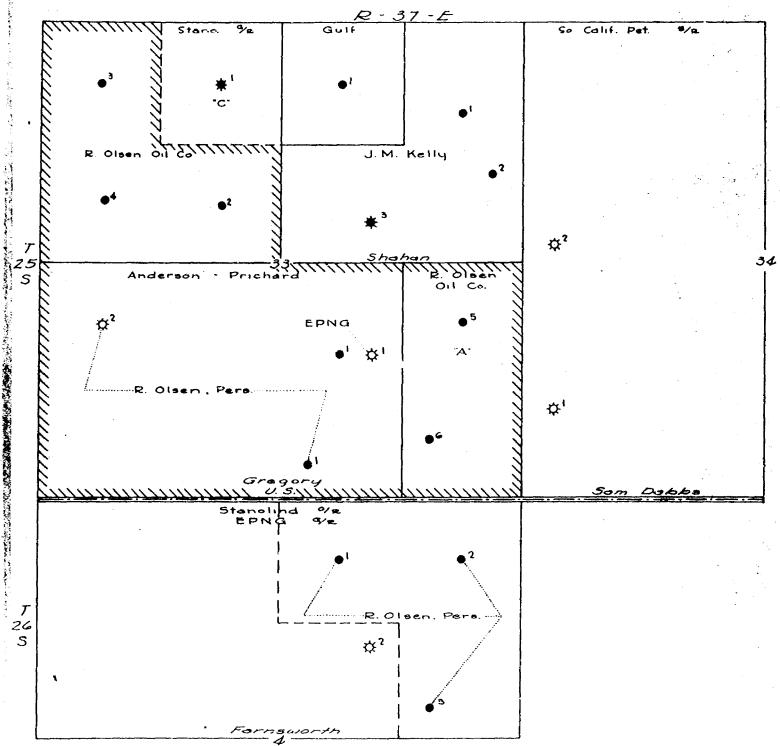
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OWNERSHIP AND LOCATION PLAT LLUSTRATING THE PRORATION UNIT REQUESTED FOR THE EL PASO NATURAL GAS CO, GREGORY FEDERAL *1

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OWNERSHIP AND LOCATION PLAT LLLUSTRATING THE PRORATION UNIT REQUESTED FOR THE

EL PASO NATURAL GAS CO., GREGORY FEDERAL *1



SCALE: 1'1 1000 FT.

OWNERSHIP AND LOCATION PLAT
ILLUSTRATING THE PRORATION UNIT
REQUESTED
FOR THE
EL PASO NATURAL GAS CO.,
GREGORY FEDERAL */

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In the Hatter of the Application of El Paso Natural One Company for an Exception to Rule 5 (a) and 5 (b) of the Special Rules for the Jalmet Gas Peel, Lea County, New Mexico, for its Gregory Federal #1 Well, NV/4 SE/4 Section 33, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico

case no. 23/

To The Remorable Commission:

Common now Ki Pass Natural Cas Company and requests the Commission to grant an embeytion to Rule 5(a) and 5(b) of the Special Rules for the Jalmet Cas Pool for its Gregory Federal #1 Well, and for its grounds therefor states:

- 1. Applicant socks an unorthodox gas precation unit consisting of the 8/2, 8/2 MM/4, and HW/4 MM/4 of Section 33, Younghip 25 South, Range 37 East, W.M.P.M., containing 440.00 acres, more or less, and the allocation of an appropriate gas allocable to said unit.
- 2. The well to which applicant seeks to have the allowable granted to is its Oregory Federal #1 Well and is situated 1650 feet from the South and Mast lines of said Section 33. That said well was completed on May 19, 1955, to a total depth of 3075 feet with an IPF of 19000 MCFPD.
- 3. The preposed amorthodex gas proration unit consists of contiguous quarter-quarter sections.
- 4. The proposed unorthodex gas prorution unit lies wholly within a single governmental section.
- 5. The entire proposed unorthodox gas proration unit may reasonably be presumed to be productive of gas.
- 6. The length or width of the unorthodox gas proration unit does not exceed 5280 feet.
- 7. There is attached hereto a plat showing the acreage to be dedicated to the wmorthodex gas proration unit, the location of the well, and the offset ownership.
- 9. The granting of the exception requested herein will not adversely affect the correlative rights of any offset owner and will protect the correlative rights of applicant, will prevent waste, will swoid the drilling of unnecessary wells, and is in the interest of conservation.

Wherefore, applicant requests the commission to set this matter down for hearing, to publish notice as required by law and to issue its order granting applicant an exception to the rules of the commission noted herein for its Oregory Federal #1 Well, and allocating to the said well a 440 acre gas precedion unit consisting of the S/2, S/2 NM/4, and NW/4 NW/4 of Section 33, Tourship 25 South, Range 37 East, N.M.P.M.

EL PASO NATURAL GAS COMPANY

By R. L. HANGLIK

THE STATE OF TEXAS

COUNTY OF IL PASO

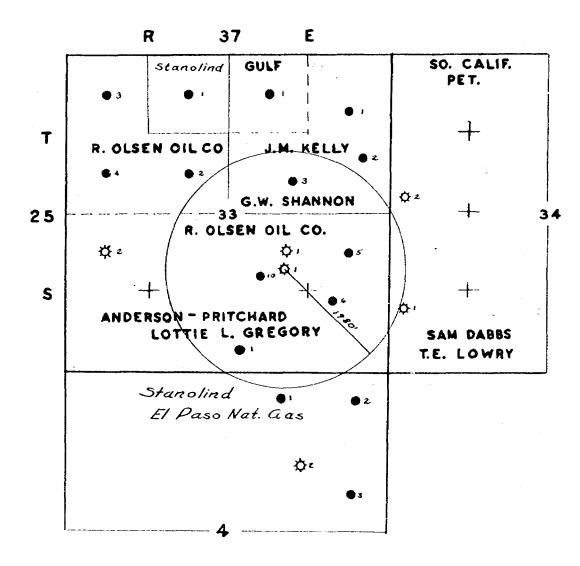
On the 25th day of june, 1955, before me personally appeared R.L. Wallis to me known to be the person who executed the foregoing application and states that the foregoing statements are true to the best of his knowledge and belief.

IN WITHES WEEKEP, I have bereunto set my hand and seal on the day and year first above written.

My Commission Hapires:

Page 1, 1957

Nothry Public in and for the County of El Pass, State of Texas



OWNERSHIP AND LOCATION PLAT LLLUSTRATING THE PROPATION UNIT REQUESTED FOR THE EL PASO NATURAL GAS CO., GREGORY FEDERAL #1

