

El Paso Natural Gas Company

El Paso, Texas

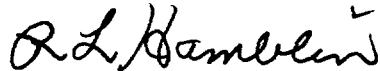
December 19, 1955

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

Dear Mr. Macey:

Please find enclosed original and two (2) copies of El Paso Natural Gas Company's Application for an Unorthodox Spacing Unit and Gas Proration Unit consisting of 277 acres in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M., or in the alternative, for forced pooling of the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M. We ask that this case be consolidated with the Application already filed by Mr. Jack Campbell on behalf of Saul Yager, et al.

Very truly yours,



R. L. Hamblin
Manager
Lease Department

RLH:TWB:eb
Enclosures

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF EL)
PASO NATURAL GAS COMPANY FOR AN UN-)
ORTHODOX SPACING UNIT AND GAS PRORATION)
UNIT CONSISTING OF 277 ACRES, LOCATED)
IN THE W/2 OF SECTION 15, TOWNSHIP 32)
NORTH, RANGE 10 WEST, N.M.P.M., OR IN)
THE ALTERNATIVE, FOR COMPULSORY POOLING)
OF THE W/2 OF SECTION 15, TOWNSHIP 32)
NORTH, RANGE 10 WEST, N.M.P.M.)

NO. 1861

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 operating rights under the following described Oil and Gas Leases, embracing lands located in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M., San Juan County, New Mexico:

- a. Oil and Gas Lease dated June 26, 1950, from Robert J. Doughtie and wife, Edna O. Doughtie, as lessors, to John F. Sullivan, as lessee, embracing among other lands, 32.5 acres in the SE/4 NW/4 and 47 acres in the N/2 SW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M.
- b. Oil and Gas Lease dated June 27, 1950, from Robert L. Gaston and wife, Edith Gaston, as Lessors, to John F. Sullivan, as lessee, embracing among other lands, the SE/4 SW/4 and the East 40 rods of the South 30 rods of the NE/4 SW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M., containing 47 acres.
- c. Oil and Gas Lease dated June 27, 1950, executed by Mary Katherine Heiser, as lessor, to John F. Sullivan, as lessee, embracing among other lands, the NE/4 NW/4 and the North 7.5 acres of the SE/4 NW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M., containing 47.5 acres.

The three leases described above cover approximately 174 acres in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M.

Your Applicant further represents the following:

That Pacific Northwest Pipeline Corporation is the present owner and holder of leasehold rights or operating rights under the following described Oil and Gas Leases all embracing lands located in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M., San Juan County, New Mexico:

- a. Oil and Gas Lease dated June 1, 1953, from Denver & Rio Grande Western Railroad Company, as lessor, to Phillips Petroleum Company, as lessee.

- b. Oil and Gas Lease dated December 11, 1951, from Katherine Hendricks, a widow, et al, as lessors, to H. C. Wynne, as lessee.
- c. United States Oil and Gas Lease Serial Number Santa Fe 079625, dated September 1, 1949, from the United States of America, as lessor, to Hazle L. Gentle, as lessee.
- d. Oil and Gas Lease dated April 22, 1954, from Edward E. Miller and Lena A. Miller, as lessors, to Phillips Petroleum Company, as lessee.

That said leases cover approximately 103 acres in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M.

That Saul A. Yager, M. E. Gimp, Sam Mizel, Morris Mizel and Marian Cohn, (hereafter termed "Yager, et al") are the owners of all the oil, gas and other minerals underlying the NW/4 NW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M., and that this mineral interest is unleased.

That Mr. Dave Clark, whose address is R.F.D., Aztec, New Mexico, is the owner of 3 acres of land lying West of the right of way of State Highway 550, as it runs on the South side of the N/2 SW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M.

Your Applicant has attached hereto as Exhibit "A" to this Application, a plat showing the ownership in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M.

That Yager, et al, owners of the mineral interest under the NW/4 NW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M., have been contacted and requested to communitize their interest and pay their proportionate share of the costs of a Mesaverde well to be drilled on the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M. Yager, et al, have refused to join in any Communitization Agreement unless your Applicant paid all costs and recovered the portion attributable to Yager, et al, from subsequent production, if said well shall be productive.

That Dave Clark has refused to join in any Communitization Agreement and refused to lease his acreage unless the lessee would agree to drill a well thereon, from which he would receive 1/8 of all production.

That your Applicant and Pacific Northwest Pipeline Corporation desire to drill a well to be located on the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M., and that they are ready, willing and able to pay their proportionate share of the costs.

That your Applicant represents that it has made diligent efforts to reach some agreement whereby the entire W/2 of Section 15, Township 32 North, Range 10 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 Saul A. Yager, et al, and Dave Clark do not desire to enter into a Communitization Agreement covering said acreage on a basis which would be mutually satisfactory to all concerned.

Your Applicant respectfully requests that an appropriate order be entered by the Commission authorizing an unorthodox spacing unit and gas proration unit to consist of 277 acres in the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M., said unorthodox spacing unit would include all of the W/2 of Section 15, except the NW/4 NW/4 and 3 acres located on the South side of the N/2 SW/4 of Section 15, Township 32 North, Range 10 West, N.M.P.M. In the alternative, your Applicant requests that if the above relief is not granted by the Commission, the Commission enter its order pooling the W/2 of Section 15, Township 32 North, Range 10 West, N.M.P.M., containing 320 acres, more or less, into an orthodox spacing unit and gas proration unit.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By Ben F. Howell
attorney