

EL PASO NATURAL GAS PRODUCTS COMPANY

EL PASO, TEXAS

December 5, 1958

*NSP-(oil) - 464
Due 1/29/59
(in water's permit)*

ADDRESS REPLY TO.
POST OFFICE BOX 1565
FARMINGTON, NEW MEXICO

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

Re: Application for Exception to Rule 104-(c)
of the Rules and Regulations
for Non-Standard Oil Proration Unit,
Horseshoe-Gallup Pool,
San Juan County, New Mexico

Gentlemen:

El Paso Natural Gas Products Company hereby submits its application for administrative approval of a non-standard oil proration unit consisting of that portion of the SW/4 SW/4 (19.12 acres) and that portion of the NW/4 SW/4 lying within the Ute Mountain Indian Reservation (18.21 acres), Section 33, Township 31 North, Range 16 West, San Juan County, New Mexico, and in support thereof states the following facts:

- (1) El Paso Natural Gas Products Company's Horseshoe Ute #3 Well will be located 1172' from the South line and 4250' from the East line of Section 33, Township 31 North, Range 16 West, and will be drilled as an oil well to the Gallup formation.
- (2) That said Horseshoe Ute #3 Well is located no closer than 330' to the acreage held by the only offset operator, The Atlantic Refining Company, but is located closer than 330' to the East boundary line of said non-standard oil proration unit for which applicant further applies for administrative approval of exception to the requirement set forth in Rule 104-(c) that each well shall not be drilled closer than 330' to any boundary line of such tract.
- (3) That the proposed non-standard oil proration unit contains 37.33 acres and consists of two governmental lots which are contiguous but are not substantially in the form of a square as is shown by the attached copy of certified plat.
- (4) That the proposed non-standard oil proration unit is composed of two contiguous governmental lots as outlined on the attached copy of certified

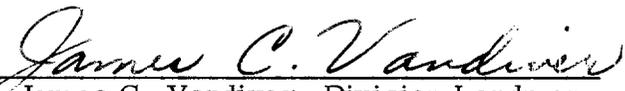
plats rather than being wholly within a single governmental quarter-quarter section or lot.

- (5) That the proposed non-standard oil proration unit may reasonably be presumed to be productive of oil, and that said unit and said Horseshoe Ute #3 Well are located either within the Horseshoe-Gallup Oil Pool or within one (1) mile of said pool limits.
- (6) That El Paso Natural Gas Products Company has made efforts to communitize the two governmental lots which comprise the proposed non-standard oil proration unit with offsetting acreage owned by The Atlantic Refining Company on a forty-acre pattern, the spacing pattern as set for the Horseshoe-Gallup Oil Pool under statewide rules and regulations but has been unsuccessful.
- (7) That El Paso Natural Gas Products Company is the owner of all the interest of that portion of the SW/4 SW/4 and that portion of the NW/4 SW/4 lying within the Ute Mountain Indian Reservation, Section 33, Township 31 North, Range 16 West, and that all operators owning interests in acreage offsetting the non-standard proration unit are notified by registered mail of this proposed non-standard oil proration unit.

Therefore, El Paso Natural Gas Products Company requests that the Secretary of the Commission grant exception to Rule 104-(c) without Notice and Hearing, and approve the subject non-standard oil proration unit and the unorthodox location of the Horseshoe Ute #3 Well.

Respectfully submitted,

EL PASO NATURAL GAS PRODUCTS COMPANY

By 
James C. Vandiver, Division Landman

JCV:jh

A copy of this application is being sent by registered mail, return receipt requested, to that offset owner as shown by the attached list.

STATE OF NEW MEXICO)

COUNTY OF SAN JUAN)

James C. Vandiver, being first duly sworn, hereby states that he is Division Landman for El Paso Natural Gas Products Company, the Applicant in the foregoing application; that he has executed said application on behalf of El Paso Natural Gas Products Company; that he has read said application and, to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct; that a copy of this application was duly deposited on December 3, 1958, in the United States post office as registered mail, with all charges prepaid, addressed to the party shown on the attached sheet of this application.

James C. Vandiver
James C. Vandiver

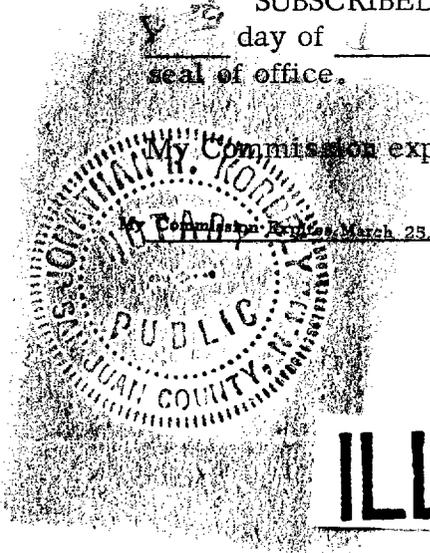
SUBSCRIBED AND SWORN to before me by the said James C. Vandiver this day of December 3, 1958, to certify which witness my hand and seal of office.

My Commission expires:

March 25, 1962

Notary Public in and for
San Juan County, State of New Mexico

ILLEGIBLE



A copy of the foregoing application for non-standard oil proration unit on the proposed Horseshoe Ute #3 Well was forwarded by registered mail, return receipt requested, to the following listed party:

The Atlantic Refining Company
P. O. Box 520
Casper, Wyoming

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date _____

Operator EL PASO NATURAL GAS PRODUCTS COMPANY Lease Horseshoe-Ute
 Well No. 3 Unit Letter M Section 33 Township 31 NORTH Range 16 WEST, NMPM
 Located 1172 Feet From THE SOUTH Line, 4250 Feet From THE EAST Line
 County SAN JUAN G. L. Elevation 5326.0 Dedicated Acreage _____ Acres
 Name of Producing Formation Gallup Pool Horseshoe-Gallup

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes X No _____
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes", Type of Consolidation.
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner _____ Land Description _____

Section B.

Note: All distances must be from outer boundaries of section.

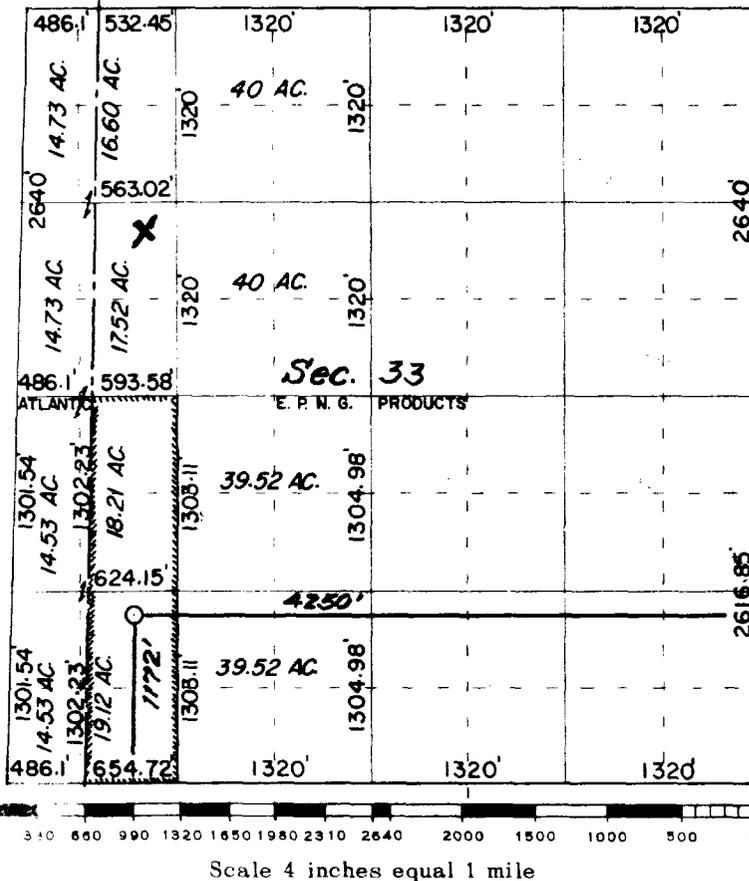
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

El Paso Natural Gas Products Company
 (Operator)

(Representative)

P. O. Box 1565
 (Address)
Farmington, New Mexico

Ref: SJE Plat dated Sept. 1957



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 5 December 1958

James P. Lease
 Registered Professional Engineer and/or Land Surveyor



Farmington, New Mexico