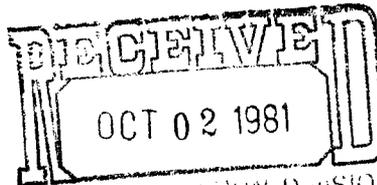


El Paso NATURAL GAS
COMPANY



P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

OIL CONSERVATION DIVISION
SANTA FE

September 24, 1981

*NSL - 1434
Rule 104 F
Immediate*

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Joe Ramey, Division Director

Re: EPNG Infill Dakota Well
San Juan 28-7 No. 246E
Non-Standard Location
Section 8, T28N - R7W
Rio Arriba County, New Mexico

Dear Mr. Ramey:

The above referenced well was drilled in 1981 as an infill Dakota well in the Basin-Dakota Pool. The well was drilled on a non-standard gas proration unit.

On June 30, 1965, El Paso Natural Gas Company requested approval of 51 non-standard gas proration units in the Basin-Dakota gas pool. These units were approved by the Commission under Order R-2948 dated August 16, 1965. The unit in which this well is located is identified as Unit No. 5 in T28N, R7W, NMPM, which includes land in sections 7 and 8 of T28N, R7W. (See attached Exhibit A). A copy of Order R-2948 is attached.

The original Dakota well drilled in this Unit No. 5 was the San Juan 28-7 Unit well No. 246 which is located 1150' from south line and 245' from east line of section 7, T28N, R7W. This is an orthodox location within this unit.

The infill well (the well under question at this time) is located 1120' from south line and 1650' from west line of section 8, T28N, R7W. This well is apparently located at a non-standard location in this Unit No. 5.

This well is located at a non-standard location because it is only 200' from the north boundary of Unit No. 5. Also, for any location in this unit that is more than 1320' east of the west line of section 8, it is impossible to be 790' from the north and south boundaries of the unit at the same time as the unit is only 1320' from north to south.

*Date
Oct 2, 1981*

NMOCD
Santa Fe, New Mexico 87501
Attention: Joe Ramey, Division Director
September 24, 1981
Page 2

El Paso Natural Gas Company is the operator of the San Juan 28-7 Unit. We are also operator of the well drilled in section 9, T28N, R7W, (the San Juan 28-7 Unit well No. 241) which is in non-standard gas proration Unit No. 4 of T28N, R7W in Order R-2948.

As offset operator to the San Juan 28-7 Unit well No. 246E, we waive any and all objections to the location of the No. 246E well.

El Paso Natural Gas Company respectfully requests that approval of a non-standard location be given by the Director of the Division or if necessary, please set this matter for hearing before an examiner at your convenience.

If any additional information is required, please contact me.

Very truly yours,



H. L. Kendrick
Sr. Proration Engineer
Production Control Department

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Attachment

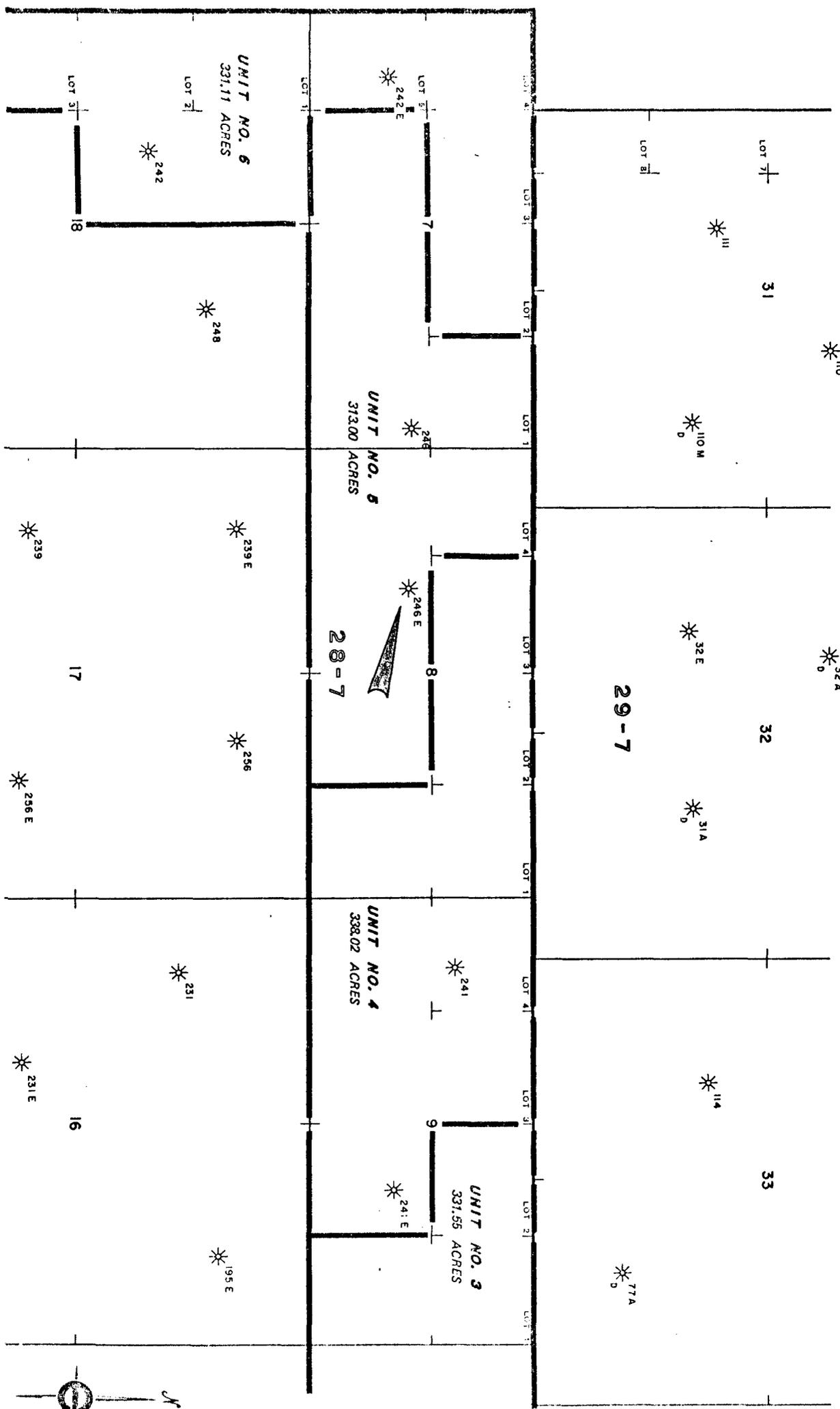


EXHIBIT A

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. 3272
Order No. R-2948

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR NON-STANDARD GAS PRORA-
TION UNITS, BASIN-DAKOTA GAS POOL,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 30, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of August, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 the applicant, El Paso Natural Gas Company, seeks approval of 51 non-standard gas proration units in the Basin-Dakota Gas Pool, Rio Arriba County, New Mexico, in the following area:

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM
Sections 7 through 13, 24 and 25, and
33 through 36

TOWNSHIP 28 NORTH, RANGE 6 WEST, NMPM
Sections 7 through 12, 18 and 19, and
30 through 34

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM
Sections 7 through 12, 18 and 19, and
30 through 36

(3) That a standard gas proration unit in the Basin-Dakota Gas Pool consists of 320 acres, and that each of the proposed non-standard units exceeds 320 acres.

(4) That non-standard units are necessary in the subject area due to variations in legal subdivisions of the U. S. Public Land Survey.

(5) That the non-standard units created in the subject area should approximate 320 acres, insofar as is practicable, in order to afford to the owner of each property in the Basin-Dakota Gas Pool the opportunity to produce his just and equitable share of the gas in the pool, and otherwise prevent waste and protect correlative rights.

(6) That non-standard gas proration units approximating 320 acres, insofar as is practicable, should be created in the subject area, and that the subject application should otherwise be denied.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Basin-Dakota Gas Pool are hereby approved:

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Unit	Acres	Description
1	322.96	Section 7: Lots 1, 2, 3, and 4 and S/2 S/2 Section 8: SW/4 SW/4
2	313.42	Section 8: Lots 1, 2, 3, and 4, SE/4 SW/4, and S/2 SE/4 Section 9: Lot 4 and SW/4 SW/4
3	322.35	Section 9: Lots 1, 2, and 3, SE/4 SW/4, and S/2 SE/4 Section 10: Lot 4 and S/2 SW/4
4	321.61	Section 10: Lots 1, 2, and 3 and S/2 SE/4 Section 11: Lot 4, S/2 SW/4, and SW/4 SE/4

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CASE No. 3272
Order No. R-2948

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM (CONT.)

Unit	Acres	Description
5	310.19	Section 11: Lots 1, 2, and 3 and SE/4 SE/4 Section 12: Lots 3 and 4, S/2 SW/4, and SW/4 SE/4
6	342.30	Section 12: Lots 1, 2, and 5 Section 13: Lots 1 and 2, W/2 NE/4, and NW/4 SE/4
7	327.36	Section 13: Lots 3 and 4 and SW/4 SE/4 Section 24: Lots 1 and 2 and W/2 NE/4
8	329.09	Section 24: Lots 3 and 4 and W/2 SE/4 Section 25: Lots 1 and 2 and NW/4 NE/4
9	316.76	Section 25: Lots 3 and 4, SW/4 NE/4 and W/2 SE/4 Section 36: Lot 1 and NW/4 NE/4
10	330.74	Section 36: Lots 2, 3, 5, 6, 7, and 8 and NW/4 SE/4
11	345.39	Section 36: Lot 4, NE/4 NW/4, S/2 NW/4, SW/4 NE/4, and N/2 SW/4 Section 35: Lot 1
12	330.92	Section 36: NW/4 NW/4 Section 35: Lot 2, NE/4, and N/2 SE/4
13	345.82	Section 35: Lots 3 and 4, NE/4 NW/4, S/2 NW/4, and N/2 SW/4 Section 34: Lot 1
14	326.42	Section 35: NW/4 NW/4 Section 34: Lot 2, NE/4, and N/2 SE/4
15	329.70	Section 34: W/2
16	325.46	Section 33: E/2

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CASE No. 3272

Order No. R-2948

TOWNSHIP 28 NORTH, RANGE 6 WEST, NMPM

Unit	Acres	Description
1	353.10	Section 12: Lots 1, 2, 3, and 4 and S/2 S/2 Section 11: Lot 1 and SE/4 SE/4
2	353.83	Section 11: Lots 2, 3, and 4, S/2 SW/4, and SW/4 SE/4 Section 10: Lots 1 and 2 and S/2 SE/4
3	354.79	Section 10: Lots 3 and 4 and S/2 SW/4 Section 9: Lots 1, 2, and 3, SE/4 SW/4, and S/2 SE/4
4	356.16	Section 9: Lot 4 and SW/4 SW/4 Section 8: Lots 1, 2, 3, and 4 and S/2 S/2
5	326.18	Section 7: Lots 1, 2, 3, 4, and 5, SE/4 SW/4, and S/2 SE/4 Section 18: Lot 1 and NE/4 NW/4
6	328.37	Section 18: Lots 2, 3, and 4, SE/4 NW/4, and E/2 SW/4 Section 19: Lots 1 and 2 and E/2 NW/4
7	328.77	Section 19: Lots 3 and 4 and E/2 SW/4 Section 30: Lots 1, 2, and 3, E/2 NW/4, and NE/4 SW/4
8	334.79	Section 30: Lot 4 and SE/4 SW/4 Section 31: Lots 1, 2, 3, 4, and 5, E/2 NW/4, and NE/4 SW/4
9	326.29	Section 31: E/2
10	325.23	Section 32: W/2
11	325.04	Section 32: E/2
12	325.59	Section 33: W/2
13	325.02	Section 33: E/2
14	324.69	Section 34: W/2
15	324.63	Section 34: E/2