

~~NSP~~
NSP - 869
issue 3-13-72

El Paso Natural Gas Company

El Paso, Texas 79978

February 8, 1972

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OIL CONSERVATION COMM.
SANTA FE

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

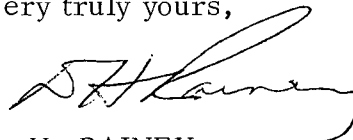
Gentlemen:

El Paso Natural Gas Company, operator of the Shell State No. 2 Well, located 1650' FNL and 990' FEL, Section 3, T-20-S, R-37-E, Lea County, New Mexico, respectfully requests administrative approval of an 80.79 acre non-standard gas proration unit for this tract consisting of the E/2 of the NE/4 of said Section 3. The Shell State No. 2 Well was formerly an oil well in the Monument Pool and was recompleted by Shell Oil Company as a gas well in the Eumont Pool at which time it was purchased by El Paso Natural Gas Company.

All offset operators to the proposed non-standard gas proration unit in the Eumont Pool are being advised by copy of this application.

If any further information is desired, please advise me.

Very truly yours,



D. H. RAINEY
Manager,
Gas Proration Department

DHR:ps

cc: Continental Oil Company
Gulf Oil Corporation
Marathon Oil Company
W. K. Byrom
Getty Oil Company

R-37-E

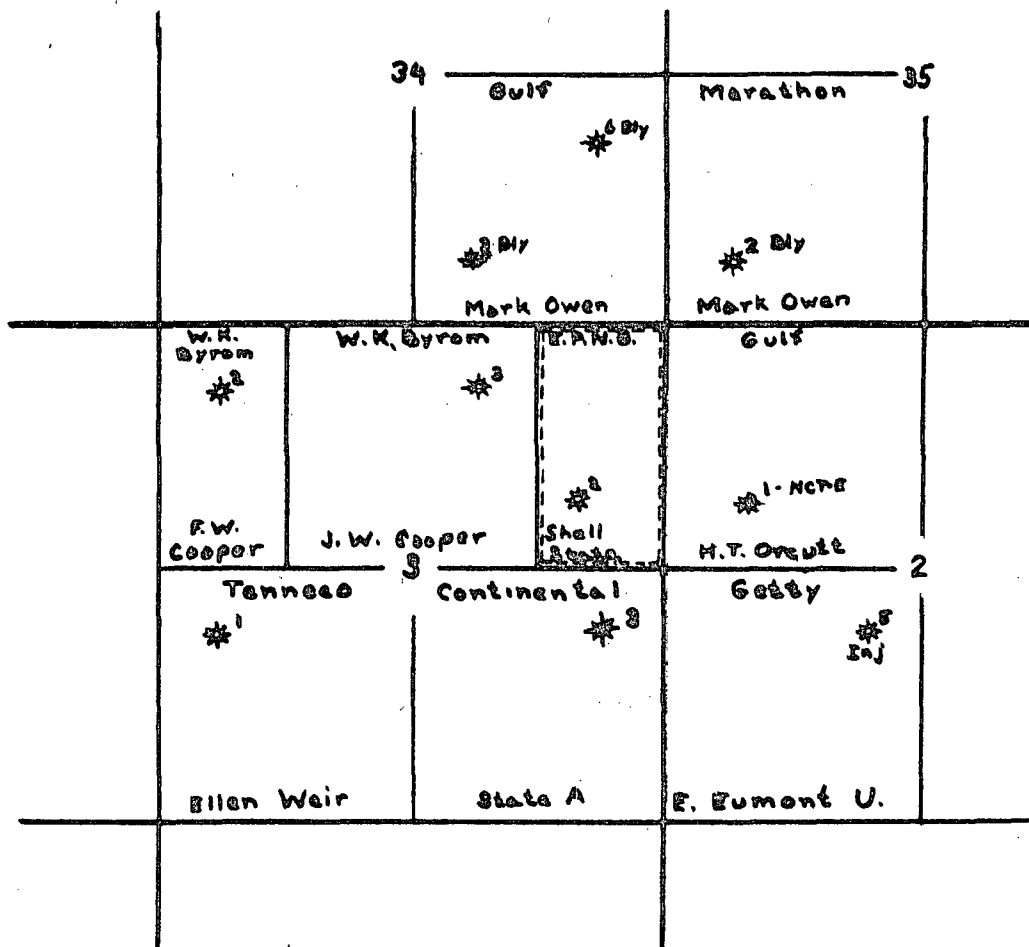
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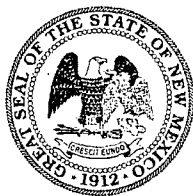
El Paso Natural Gas Company

Shell State No. 2 Well

Sec. 3, T-20-S, R-37-E

Lea County, New Mexico

Scale: 1" = 2,000'



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 12, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mirage Energy, Inc.
P. O. Box 860
Eunice, New Mexico 88231

Attention: Larry D. Henson

Administrative Order NSP-869-A (L)

Dear Mr. Henson:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-625534975*) dated July 24, 2006; and (ii) the New Mexico Oil Conservation Division's ("Division") records in Hobbs and Santa Fe, including the file on Division Administrative Orders NSP-869: all concerning your request to reduce the acreage of the existing 80.79-acre non-standard gas spacing unit in the Eumont Gas Pool (**76480**) comprising Lot 1 (Unit A) and the SE/4 NE/4 (Unit H) of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, by omitting Lot 1 of Section 3 from this unit.

This 80.79-acre unit is currently dedicated to Mirage Energy, Inc.'s: (i) Shell State Com. Well No. 14 (**API No. 30-025-05883**), located 1650 feet from the North line and 990 feet from the East line (Unit H) of Section 3; and (ii) Shell State Com. Well No. 1 (**API No. 30-025-05879**), located 660 feet from the North line and 990 feet from the East line (Lot 1/Unit A) of Section 3.

It is our understanding here at the Division's Santa Fe office that such reduction of acreage is necessary due to the recent reclassification of the Shall State Com. Well No. 1 as a Eumont oil completion.

By the authority granted me under the provisions of Rules 4 (C) and (D) of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, the following described 40-acre non-standard Eumont gas spacing unit is hereby approved for Mirage Energy, Inc.'s Shall State Com. Well No. 14:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 3: SE/4 NE/4 (Unit H).

Mirage Energy, Inc.

September 12, 2006

Page 2

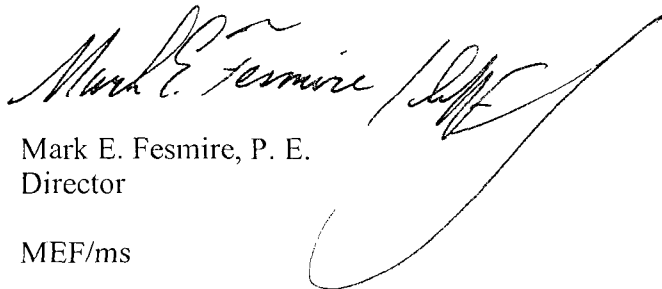
Division Administrative Order NSP-869-A (L)

Further, by the authority granted me under the provisions of Rules 4 (A) and (D) of the special rules governing the Eumont Gas Pool, the resulting unorthodox gas well location of the Shall State Com. Well No. 14 within this newly created non-standard 40-acre gas spacing unit is hereby approved.

Division Administrative Order NSP-869 is hereby placed in abeyance until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire". The signature is written in dark ink and is positioned above the typed name and title.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
✓ File: NSP-869