EIP 7

April 27, 1960

ADDRESS REPLY TO ST OFFICE BOX 99 RMINGTON. NEW MEX

WW - JW/

Mr. A. L. Porter, Secretary & Director Oil Conservation Commission Box 871 Santa Fe, New Mexico

> Unorthodox Acreage Dedication of Re: Canyon Largo Unit No. 103

Dear Mr. Porter:

This letter is a request for approval of the unorthodox acreage dedication of the Canyon Largo Unit No. 103, which is mentioned in the Notice of Intention to Drill.

El Paso Natural Gas Company has an obligation to the Canyon Largo Unit to drill the Canyon Largo Unit No. 103, because of its status as an intervening drilling block. The location of the well is 1650' from the North line, and 990' from the West line of Section 10, Township 24 North, Range 6 West, N.M.P.M., Rio Arriba County, New Mexico. The requested acreage dedication is the south half of the north half of Section 10.

Negotiations to persuade the owners, E. B. Germany, et al, of the north half of the north half of Section 10 to join the drilling of the well or to farm out their interest in the well were unsuccessful. Because of the unsuccessful negotiations, El Paso Natural Gas Company has no alternative other than drilling this well with the acreage dedication mentioned above in order to meet the obligation to the Canyon Largo Unit.

Mr. John Anderson, Regional Oil and Gas Supervisor of the United States Geological Survey, is agreeable to this acreage dedication.

This request is respectfully submitted.

Yours very truly, C. D. Col-

C. D. Cox, Petroleum Engineer

CDC:dgb cc: Emery Arnold E. B. Germany and Sons

El Paso Natural Gas Company P.O. Box 997 Farmington, Rew Melico, 1 Attention: Mr. C.D. Cox

Administrative Order NWU- 354

Gentlemen:

Reference is made to your application for approval of a <u>160</u> -acre non-standard gas proration unit in the <u>Ballar Q</u> - <u>Picture Q</u> <u>Cliffs</u> Gas Pool consisting of the following acreage:

 $\frac{\text{TOWNSHIP } 24 \text{ NORTH, RANGE } 4 \text{ WEST, NMPM}}{\text{Section } 10 : 5/2 N/2}$ 

It is understood that this unit is to be dedicated to your <u>Canyon Largo Unit well no. 103</u>, located 1650 feet from <u>the North line and 990 feet from the West line of</u> said Dection 10.

By authority granted me under the provisions of Rule (B), Section of the Special Rules and Regulations for the Ballar (-Picture Cliffo Gas Pool, as set forth in Order Ryou are hereby authorized to operate the above described acreage as a nonstandard gas proration unit, with-allowable to be assigned thereto-inaccordance with the pool rules, based upon the unit-size of acres.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

ALP/

CC:

NMOCC – Aztec -<del>O.& G Engineering Committee – Hobbs\_\_\_</del> Orig. & 1 cc –– Operator