

STATE OF NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF EL PASO NATURAL GAS)
COMPANY FOR COMPULSORY COMMUNITIZATION OF THE N/2)
OF SECTION 26, TOWNSHIP 31 NORTH, RANGE 11 WEST,)
N.M.P.M., SAN JUAN COUNTY, NEW MEXICO, OR IN THE)
ALTERNATIVE, FOR A NON-STANDARD PRORATION UNIT CON-)
SISTING OF THE NW/4, N/2 NE/4, SE/4 NE/4 OF SECTION)
26, TOWNSHIP 31 NORTH, RANGE 11 WEST, N.M.P.M., SAN)
JUAN COUNTY, NEW MEXICO)

NO. _____

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 of the leasehold rights in the N/2 of Section 26, Township 31 North, Range 11 West, N.M.P.M., said leasehold interest being more particularly described as follows:

1. Oil and Gas Lease dated January 17, 1952, executed by Frank Randleman and wife, Eva Randleman, as lessors, recorded in Book 177 at Page 404 of the records of San Juan County, New Mexico, covering 68.05 acres, more or less, in the NE/4 of Section 26, Township 31 North, Range 11 West.

2. Oil and Gas Lease dated January 7, 1952, executed by Marion I. Vance and Betty D. Vance, Junius Lothair Payne and Marguerite Payne, as lessors, recorded in Book 188 at Page 161 of the records of San Juan County, New Mexico, covering 169 acres, more or less, in the NW/4 and the NW/4 NE/4 of Section 26, Township 31 North, Range 11 West.

3. Oil and Gas Lease dated February 8, 1952, executed by Archie D. Hill and wife, Marian F. Hill, as lessors, recorded in Book 177 at Page 406 of the records of San Juan County, New Mexico, covering 9 acres, more or less, in the SE/4 NW/4 of Section 26, Township 31 North, Range 11 West.

Your Applicant further represents the following:

That Aztec Oil and Gas Company is the owner of leasehold rights in the N/2 of Section 26, said leasehold rights being more particularly described as follows:

1. Oil and Gas Lease dated December 8, 1948, executed by Nellie M. Randleman, as lessor, covering 4 acres, more or less, located in the extreme North-east corner of the NE/4 NE/4 of Section 26, Township 31 North, Range 11 West.

2. Oil and Gas Lease dated May 27, 1952, executed by Edith Maize and husband, Melvin L. Maize, as lessors, recorded in Book 196 at Page 287 of the records of San Juan County, New Mexico, covering an undivided one-fourth of one-third interest in the S/2 of the SE/4 NE/4 of Section 26, Township 31 North, Range 11 West, containing 20 acres, more or less.

3. Oil and Gas Lease dated April 10, 1952, executed by Mrs. Eloise Emmons, as lessor, recorded in Book 196 at Page 285 of the records of San Juan County, New Mexico, covering an undivided eleven-sixteenths of one-third interest in the S/2 of the SE/4 NE/4 of Section 26, Township 31 North, Range 11 West, containing 20 acres, more or less.

4. Oil and Gas Lease dated May 27, 1952, executed by Anne Peterson and husband, Torgny C. Peterson, as Lessors, recorded in Book 196 at Page 286 of the records of San Juan County, New Mexico, covering an undivided one-sixteenth of one-third interest in the S/2 of the SE/4 NE/4 of Section 26, Township 31 North, Range 11 West, containing 20 acres, more or less.

That Mr. Charles B. Jahns owns certain mineral interests in the N/2 of Section 26, Township 31 North, Range 11 West, more particularly described as follows:

1. An undivided two-thirds mineral interest in the S/2 of the SE/4 NE/4 of Section 26, Township 31 North, Range 11 West, containing 20 acres, more or less.

2. A full mineral interest in 9.95 acres in the SE/4 NW/4 of Section 26, Township 31 North, Range 11 West.

That the estate of Ray Morrison, deceased, is the owner of the full mineral interest in the SW/4 NE/4 of Section 26, Township 31 North, Range 11 West, containing 40 acres, more or less.

That Aztec Oil and Gas Company and Charles B. Jahns desire to pool their interest in the N/2 of Section 26, Township 31 North, Range 11 West, with the interest of your applicant for the formation of the drilling unit applied for hereby and to pay their proportionate share of the costs of drilling, completing, testing and operating the well to be located on said unit.

That the attorney for the estate of Ray Morrison has been contacted in an effort to obtain a lease on the SW/4 NE/4 of Section 26, Township 31 North, Range 11 West, or in the alternative to obtain the commitment of the mineral interest owned by the estate to the unit consisting of N/2 of Section 26, Township 31 North, Range 11

West, and that your applicant has been advised that at the present time the administrator of the estate is not willing or able to enter into a lease covering the interest owned by the estate nor is he able to commit the estate to pay its proportionate share of the cost of the well as a Working Interest Owner. Likewise, your applicant has been advised that no date can be determined when with reasonable certainty, the estate would be settled and the heirs would be in a position to negotiate a lease or participate as Working Interest Owners.

Attached hereto and made a part of this application is a plat reflecting the description of the various tracts comprising the N/2 of Section 26, Township 31 North, Range 11 West.

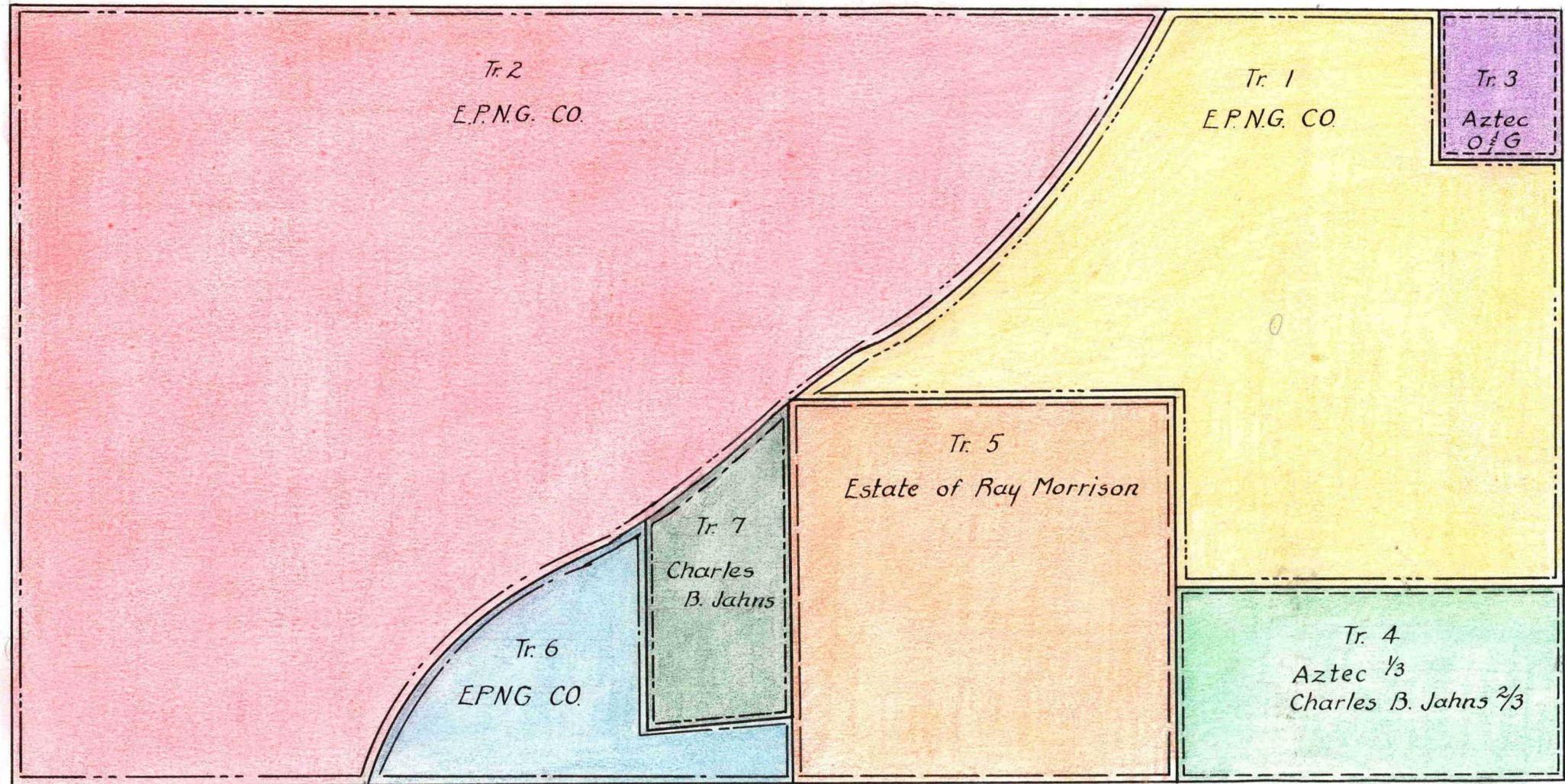
Your applicant respectfully requests that an appropriate order be entered by the Commission for the compulsory pooling of the N/2 of said Section 26 and providing for the payment or reimbursement of the costs of drilling, completing, testing and operating a well thereon. In the alternative, your applicant requests that, if the above relief is not granted by the Commission, the Commission enter its order authorizing a non-standard gas proration unit to consist of NW/4, N/2 NE/4, SE/4 NE/4 of Section 26, Township 31 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, containing 280.00 acres, more or less.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By 

N/2 26-31-11



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