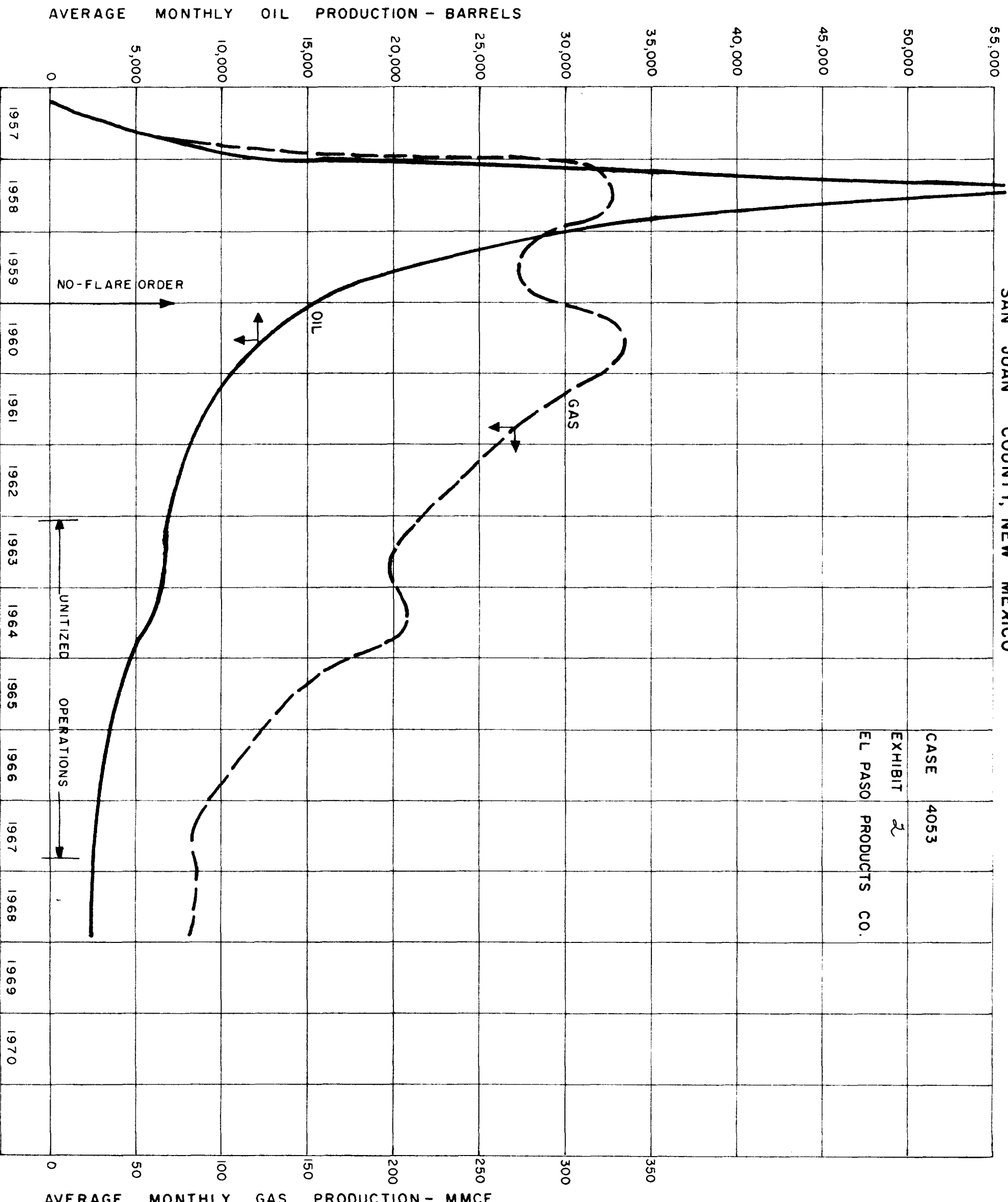


PRODUCTION HISTORY OF GALLEGOS - GALLUP POOL, SAN JUAN COUNTY, NEW MEXICO

CASE 4053
EXHIBIT 2
EL PASO PRODUCTS CO.



CASE 4053

EXHIBIT

3

EL PASO PRODUCTS COMPANY

PRODUCTION STATISTICS OF GALLEGOS-GALLUP POOL,
SAN JUAN COUNTY, NEW MEXICO

<u>Year</u>	<u>Oil Prod.-bbl</u>	<u>Gas Prod.-MCF</u>	<u>Active Wells</u>
1957	62,940	458,000	26
1958	446,110	3,800,000	79
1959	256,900	3,260,000	87
1960	146,960	3,860,000	92
1961	111,070	3,437,000	94
1962	88,585	2,844,000	94
1963	80,530	2,368,000	85
1964	67,925	2,390,000	87
1965	45,940	1,691,000	64
1966	37,390	1,293,000	62
1967	31,225	978,000	48
1968	28,360	1,007,000	27

1,403,935

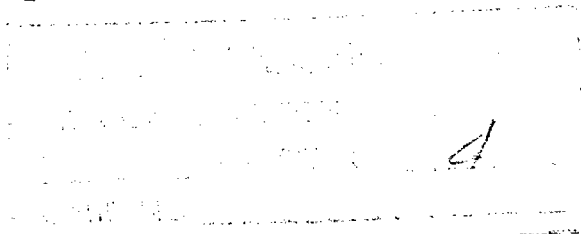
27,386,000

10.0000
192.5
5.15
193.5

BEFORE EXAMINER
FILE NO. 1000000000
EXHIBIT NO. 3
CASE NO.

PROPOSED RULES GALLEGOS--GALLUP POOL
SAN JUAN COUNTY, NEW MEXICO
CASE 4053
EXHIBIT 4
EL PASO PRODUCTS COMPANY

- Rule 1. Each gas well completed or recompleted in the Gallegos-Gallup Pool shall be located on a tract consisting of approximately 320 acres which may reasonably be presumed to be productive of gas from said pool, and which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half-section) of the United States Public Land Survey. For purposes of the Rules, a unit consisting of between 316 and 324 surface contiguous acres shall be considered a standard gas unit. Nothing contained herein shall be construed as prohibiting the drilling of a gas well on each quarter section in the 320-acre unit.
- Rule 2. Each oil well completed or recompleted in the Gallegos-Gallup Pool shall be located on a unit containing approximately 80 acres, which may reasonably be presumed to be productive of oil from said pool, and which consists of the N/2, S/2, E/2 or W/2 of a single governmental quarter section. For purposes of these Rules, a unit consisting of between 79 and 81 surface contiguous acres shall be considered a standard unit. Nothing contained herein shall be construed as prohibiting the drilling of an oil well on each of the quarter-quarter sections in the 80-acre unit.
- Rule 3. A well in the Gallegos-Gallup Pool shall be classified as a gas well if it has a gas-liquid ratio of 30,000 cubic feet of gas per barrel of liquid hydrocarbons, or more. A well in said pool shall be classified as an oil well if it has a gas-liquid ratio of less than 30,000 cubic feet of gas per barrel of liquid hydrocarbons. The simultaneous dedication of any acreage to both an oil well and a gas well is strictly prohibited.
- Rule 4. The gas-liquid ratio limitation for the Gallegos-Gallup Pool shall be 2,000 cubic feet of gas per barrel of liquid hydrocarbons produced.



Rule 5. Any oil well in the Gallegos-Gallup Pool which has 80 acres dedicated to it shall be permitted to produce an amount of gas determined by multiplying the top unit oil allowable for said pool by the limiting gas-liquid ratio for the pool, (2,000). In the event there is more than one oil well on an 80-acre oil proration unit, the operator may produce the allowable assigned to the 80-acre unit from said wells in any proportion.

Any gas well in the Gallegos-Gallup Pool shall be permitted to produce that amount of gas obtained by multiplying the top unit oil allowable for the pool by 2,000 by a fraction, the numerator of which is the number of acres dedicated to the particular gas well and the denominator of which is 80. In the event there is more than one gas well on a 320-acre gas proration unit, the operator may produce the amount of gas assigned to the unit from said wells in any proportion.