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January 29, 1960

ALBUQUERQUE, NEW MEXICO

TELEPHONE CHAPEL 3-3525

Mr. A. L. Porter, Jr., Secretary New Mexico State Oil Conservation Commission Santa Fe, New Mexico

Re: Application of El Paso Natural Gas Products Company for Permission to Produce More Than Sixteen Wells in a Common Tank Battery in the Horseshoe Gallup Oil Pool, San Juan County, New Mexico Horseshoe Ute Lease Comprising Portions of Sections 27, 28, 33, and 34, Township 31N, Range 16W, N.M.P.M., San Juan County, New Mexico

Dear Mr. Porter:

This application is made for and in behalf of El Paso Natural Gas Products Company who is the owner and operator of the Horseshoe Ute Lease No. 14-20-604-1951 comprising portions of Sections 27, 28, 33 and 34, Township 31N, Range 16W, N.M.P.M., San Juan County, New Mexico. The applicant seeks authority to produce into a common tank battery situate on said lease all oil wells presently or hereafter completed in the Horseshoe-Gallup Oil Pool on the described Horseshoe Ute Lease and as an exception to Commission Rule 309 B.

The applicant proposes to install adequate facilities to permit the testing of each well at least once each month, and will install sufficient storage tanks to prevent the overflow and wasting of oil produced into the common tank battery.

The approval of this application will neither cause waste nor impair correlative rights.

We would request that the matter be set down for examiner hearing at the earliest possible date.

Solution 15 6 9

All interested parties known to applicant are being notified of this application.

Very truly yours,

GRANTHAM, SPANN AND SANCHEZ

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By: