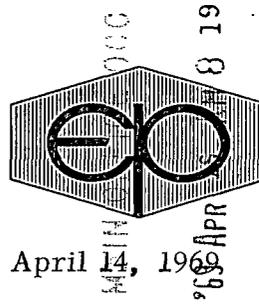


EL PASO PRODUCTS COMPANY

PROCESSING THE PAST INTO YOUR FUTURE



POST OFFICE BOX 3986
ODESSA, TEXAS 79760

Handwritten notes:
HSP (gas)
NW 1/4
- 554
issue under Rule 2 (b) 7
order no. R-3707
issue 5-16-69

Mr. A. L. Porter, Jr. (3)
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application of El Paso Products Company
for a Non-Standard Gas Unit Frontier No. 1 Well, Gallegos Gallup Oil Pool,
San Juan County, New Mexico

Dear Mr. Porter:

El Paso Products Company hereby respectfully requests administrative approval of a non-standard gas proration unit for its Frontier #1 well, as an exception to Rule 2. (a) of the Special Rules and Regulations for the Gallegos Gallup Oil Pool as promulgated by Order No. R-3707, Case No. 4053 dated March 14, 1969. The subject well is located within the limits of the Gallegos Gallup Oil Pool as defined by Order No. R-1239 (dated August 14, 1958) as amended, and will be classified as a gas well as the latest Gas Oil Ratio test indicates a GOR of 99,000 to 1.

The Frontier #1 well is located 1850 feet from the West line and 1850 feet from the South line of Section 5, Township 26 North, Range 12 West, N. M. P. M., San Juan County, New Mexico. A copy of the well location plat (form C-128) is attached hereto. Inasmuch as our lease SF 081102-A only covers the Southwest Quarter of Section 5, it is our intention and desire to only dedicate the 160 acres in the Southwest Quarter of Section 5 to this well.

Rule 2. (a) states that the spacing for each gas well shall consist of two contiguous quarter sections containing approximately 320 acres. However Rule 2. (b) of Order No. 3707 specified in the third paragraph that "The Secretary-Director of the Commission shall have authority to grant an exception to Rule 2. (a) without notice and hearing where an application has been filed in due form and when the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys and the non-standard unit is less than 75% or more than 125% of a standard unit, or where the following facts exist and the following provisions are complied with.

Mr. A. L. Porter, Jr.
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- (a) The proposed non-standard proration unit consists of less acreage than a standard proration unit;
- (b) The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots;
- (c) The non-standard gas proration unit lies wholly within a single governmental section;
- (d) The entire non-standard gas proration unit may reasonably be presumed to be productive of gas from the designated gas pool;
- (e) The applicant presents written consent in the form of waivers from:
 - (1) All operators owning interests outside the non-standard gas proration unit but in the same section in which any part of the non-standard gas proration unit is situated, and
 - (2) All operators owning interests in acreage offsetting the non-standard gas proration unit.
- (f) In lieu of subparagraph (e) of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. (This notification to offset operators should consist of the same information that is furnished to the Commission). The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit.

Inasmuch as our proposed non-standard gas proration unit consists of only (a) 160 acres, (b) of four contiguous quarter-quarter sections, (c) is entirely within Section 5, (d) is presumed to be everywhere productive of gas, and (e) inasmuch as copies of this application have been sent by registered mail to all operators who either own an interest in Section 5 or who own acreage offsetting the SW/4 of Section 5; we hereby respectfully request

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your administrative approval of the Southwest Quarter of Section 5, Township 26 North,
Range 12 West, as a non-standard gas proration unit for our Frontier #1 well.

Yours very truly,

EL PASO PRODUCTS COMPANY

By Roland L. Hamblin
Roland L. Hamblin
Attorney-in-Fact

RLH/bo'r

cc: Mr. E. C. Arnold (2)
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Mr. Phil McGrath
United States Geological Survey
P. O. Box 965
Farmington, New Mexico

Mr. John A. Anderson
United States Geological Survey
Drawer 1857
Roswell, New Mexico

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cc: Pan American Petroleum Corporation
Security Life Building
Denver, Colorado 80202

Husky Oil Company
1860 Lincoln Street
Denver, Colorado 80202

Hidden Splendor Mining Corporation
c/o Atlas Minerals, Division of Atlas Corporation
2000 National Bank of Tulsa Building
Tulsa 3, Oklahoma

Eldorado Oil & Gas, Inc.
2929 Cedar Springs Road
Dallas, Texas 75219

OIL CONSERVATION COMMISSION

WELL LOCATION AND/OR GAS PRORATION PLAT

DATE MAY 8, 1957

OPERATOR EL PASO PRODUCTS COMPANY TRACT FRONTIER SF 081102

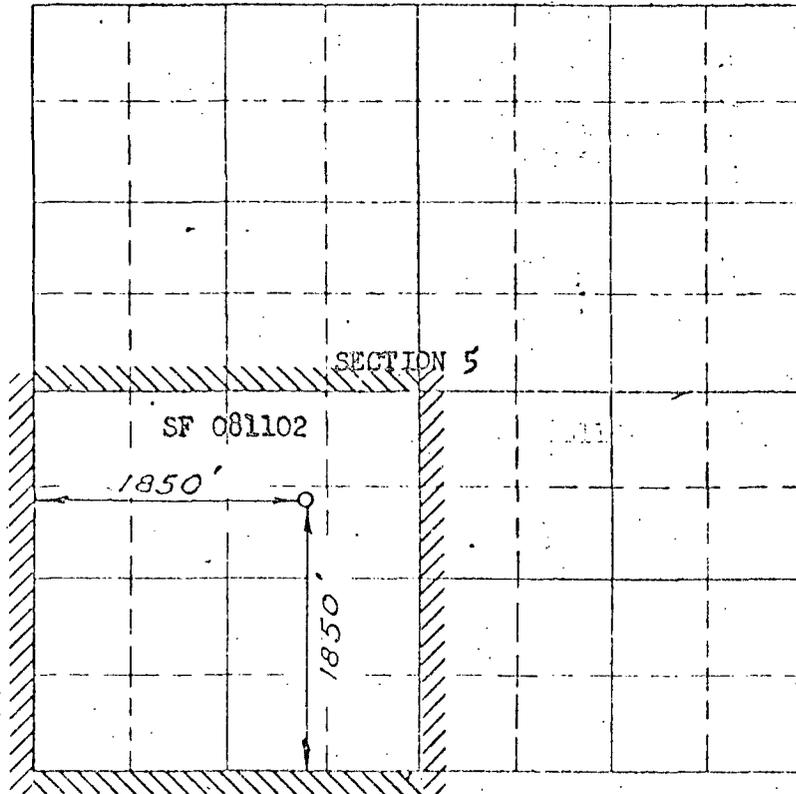
WELL NO. 1 SECTION 5 TOWNSHIP 26-N RANGE 12-W NEPLM

LOCATED 1850 FEET FROM SOUTH LINE 1850 FEET FROM WEST LINE

SAN JUAN COUNTY, NEW MEXICO WELL ELEVATION 5896²₅

NAME OF WELL GALUP POOL WILDCAT DEDICATED ACREAGE 160 ACRES (1913 PLAT)

Note: All distances must be from outer boundaries of section.



Scale 1 inch = 1 mile.

NOTE

This section of form is to be used for gas wells only

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed FEBRUARY 28, 1957

E. O. Walker
Registered Professional Engineer and/or Land Surveyor

(Seal)

Farmington, New Mexico

1. Is this well a Dual Comp.

Yes _____ No X

2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage.

Yes _____ No _____

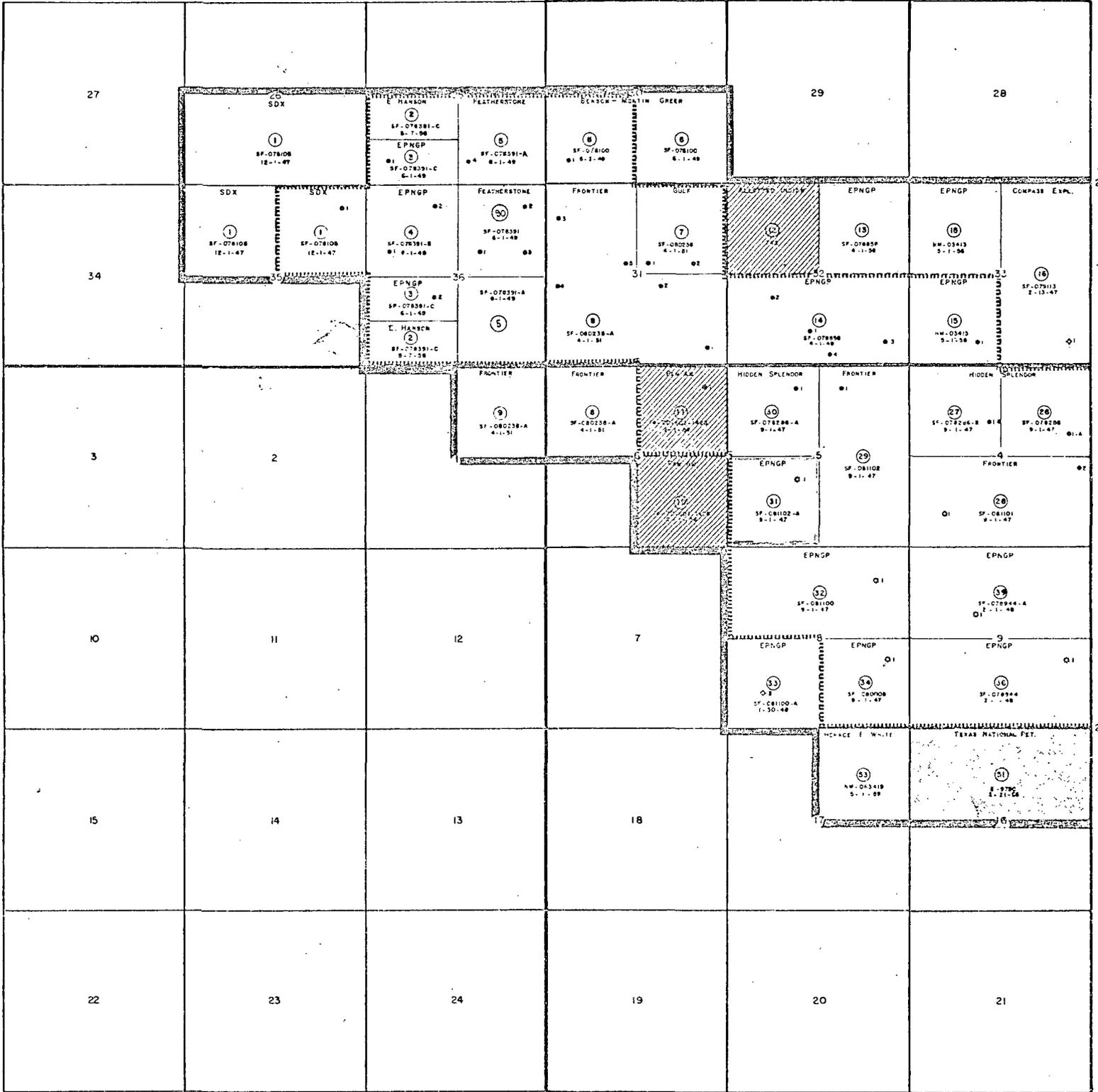
Name W. R. Speer

Position Division Manager

Representing El Paso Products Co.

Address P. O. Box 1560

Farmington, New Mexico



R-13-W

R-12-W

GALLEGOS GALLUP SAND UNIT
 SAN JUAN NEW MEXICO
 REVISED EXHIBIT "A" 2-19-63
 AREA - A

- Legend*
- UNIT AREA
 - PARTICIPATING AREA
 - FEDERAL LAND
 - INDIAN LAND
 - STATE OF NEW MEXICO LAND
 - TRACT NO.

