

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR
APPROVAL OF A 160 ACRE UNORTHODOX
GAS PRORATION UNIT IN THE LANGMAT
GAS POOL CONSISTING OF THE N/2 S/2
OF SECTION 2, TOWNSHIP 23 SOUTH,
RANGE 36 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO

Case
NO. 745

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; that it is the present owner and holder of gas rights and Shell Oil Company is the present owner and holder of gas rights in State of New Mexico Lease No. B-1167 dated September 6, 1932, effective September 15, 1932, executed by the State of New Mexico as Lessor to Shell Petroleum Corporation as Lessee, and extended by production in so far as said lease covers the N/2 S/2 of Section 2, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico, consisting of 160 acres, more or less.

Your Applicant represents that, by order of the Commission, Skelly Oil Company has been granted an unorthodox gas location for the S/2 S/2 of said Section 2 constituting 160 acres, and that communitization of the N/2 S/2 of said section with any other acreage is not practicable.

Your Applicant further represents that Skelly Oil Company is now drilling in the NE/4 SW/4 of said Section 2 a gas well and that your Applicant desires to drill a gas well upon the N/2 S/2 of said Section 2 to be completed in the Seven Rivers formation at a depth of approximately 3,440 feet from the surface.

Your Applicant would show that its leasehold tract is offset to the south by a tract consisting of the S/2 S/2 of said Section 2 of which Skelly Oil Company is Operator; that said tract is offset to the west by a tract containing approximately 320 acres, consisting of the S/2 of Section 3, same township and range, of which Texas Pacific Coal and Oil Company is Operator and that two gas

wells have been completed upon said tract, that one gas well completed by Texas Pacific Coal and Oil Company is located in the NE/4 SE/4 of said Section 3.

Your Applicant would further show that said tract is offset to the north by a tract containing approximately 320 acres, being the N/2 of said Section 2, of which Gulf Oil Corporation is Operator and that two gas wells have been completed upon said N/2, one of which is located in the SE/4 NE/4 of said Section 2.

Your Applicant would further show that said tract is offset to the east by a tract of which Tidewater Company and Skelly Oil Company are Operators.

Your Applicant has furnished copies of this application to all offset operators.

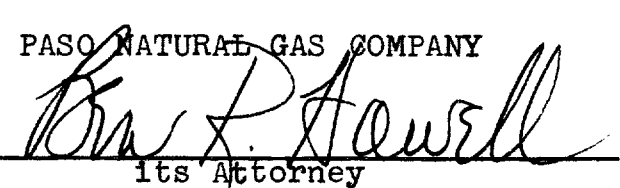
Your Applicant represents that, unless an unorthodox gas unit be approved, it will be deprived of its opportunity to recover its just and equitable share of the natural gas in the gas pool lying under the above described tract of land.

WHEREFORE, your Applicant respectfully requests that an appropriate order be entered allowing the establishment of the N/2 S/2 of Section 2, Township 23 South, Range 36 East, N.M.P.M. as an unorthodox gas unit in the Langmat gas pool.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By


its Attorney