

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 EUMONT GAS  
POOL CONSISTING OF LOTS 5, 6, 11 and  
12, SECTION 2, TOWNSHIP 21 SOUTH,  
RANGE 36 EAST, N.M.P.M., LEA COUNTY,  
NEW MEXICO.

NO. 746

Your Applicant, El Paso Natural Gas Company, amends its application heretofore filed and represents that since the filing of its application herein, Amerada Petroleum Corporation, the owner and operator of leasehold rights on Lots 3 and 4, in Section 2, Township 21 South, Range 36 E., N.M.P.M., Lea County, New Mexico, has requested your applicant to communitize the 160 acre tract owned by your applicant with the 80 acre tract owned by Amerada Petroleum Corporation.

Your Applicant and Amerada Petroleum Corporation have agreed to pool or communitize Lots 3, 4, 5, 6, 11 and 12 in said Section 2, Township 21 South, Range 36 E., N.M.P.M., Lea County, New Mexico, containing 240 acres, and herewith request that the 240 acre tract be approved as an unorthodox gas unit for a gas well to be completed in the Queen formation.

Your Applicant respectfully requests that its prior application be amended, pursuant to this application and that an appropriate Order be entered by the Commission.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By:

Ernest D. Howell  
Its Attorney

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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 oil rights in State of New Mexico Lease No. B-1167, dated September 6, 1932, to be effective September 15, 1932, executed by the State of New Mexico as Lessor to Shell Petroleum Company as Lessee and extended by production, in so far as said lease covers Lots 5, 6, 11 and 12, <sup>Section 2</sup> Township 21 South, Range 36 East, N.M.P.M., Lea Company, New Mexico, containing 160 acres, more or less.

Your Applicant represents that Section 2 in Township 21 South, Range 36 East is an irregular section containing approximately 960 acres; that the 160 acre tract under which gas rights are owned by your Applicant is a square 160 acres in area, and, by reason of Section 2 being an irregular section, does not constitute a gas unit in the Eumont Pool as prescribed by Order 370-A of this Commission.

Your Applicant would show that its tract is offset to the south by a tract of 160 acres comprised of Lots 13 and 14 and the N/2 SW/4 of said Section 2 upon which Gulf Oil Corporation is Operator and upon which the Janda No. 1 oil well is now producing.

Your Applicant would show that said tract is offset to the west by a tract containing approximately 320 acres comprised of Lots 1, 2, 7, 8, 9, 10, 15 and 16 of Section 3 in said Township and Range, which also is an irregular section, and that Warren Petroleum Company and Gulf Oil Corporation are Operators of said tract upon which one gas well and one oil well have been drilled.

Your Applicant would show that its leased tract is offset to the north by Lots 3 and 4 in said Section 2, containing approximately 80 acres, upon which Amerada Petroleum Corporation is Operator and that, in the event your Applicant communitized Lots 5 and 6 and Lots 3 and 4, then your Applicant would have 80 acres remaining with the adjoining tract to the south consisting of 160 acres.

Your Applicant would further show that to the east its leasehold tract is offset by Lots 1, 2, 7 and 8, containing approximately 160 acres, of which Cities Service Company is Operator, and by Lots 9, 10, 15 and 16 and the SE/4 of said Section 2, containing approximately 320 acres, of which Stanolind Oil and Gas Company is Operator.

Your Applicant represents that it has mailed to each of the offset Operators a notice of this application.

Your Applicant represents that, pursuant to the terms and provisions of said Order 370-A, a spacing unit consisting of a regular quarter section has been established for the Eumont gas pool; that by reason of the irregularities contained in said Section 2, your Applicant cannot locate an unorthodox gas well on its leasehold interests.

Your Applicant desires to drill a gas well to be completed in the Queens formation at an estimated total depth of 3,460 feet, and that, unless an unorthodox gas unit be approved, your Applicant 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.

Your Applicant respectfully requests that an appropriate order be entered allowing the establishment of Lots 5, 6, 11 and 12, Section 2, Township 21 South, Range 36 East, as an unorthodox gas unit in the Eumont gas pool.

Respectfully submitted.

EL PASO NATURAL GAS COMPANY

By

  
its Attorney