BEFORE THE OIL CONSERVATION COMMISSION OFFICE OCC OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION OF EL PASO NATURAL GAS COMPANY FOR THE ESTABLISHMENT OF A 120-ACRE NON-STANDARD GAS PRORATION UNIT IN THE JALMAT GAS POOL CONSISTING OF THE N/2 OF THE SW/4 AND THE SW/4 OF THE SW/4 OF SECTION 4, TOWNSHIP 25 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO, SAID UNIT TO BE DEDICATED TO THE APPLICANT'S WELLS FEDERAL #3 WELL LOCATED 1980 FEET FROM THE SOUTH AND WEST LINES OF SAID SECTION 4 AND THE ESTAB-LISHMENT OF A 200-ACRE NON-STANDARD GAS PRORATION UNIT IN THE JALMAT GAS POOL CON-SISTING OF THE SE/4 OF THE SW/4 OF SECTION 4 AND THE NW/4 OF SECTION 9, TOWNSHIP 25 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO, SAID UNIT TO BE DEDICATED TO THE APPLICANT'S WELLS FEDERAL #11 WELL LOCATED 430 FEET FROM THE SOUTH LINE AND 2317 FEET FROM THE WEST LINE OF SAID SECTION 4 AND FOR THE ESTABLISHMENT OF AN UNORTHODOX LOCATION FOR SAID WELLS FEDERAL #11 WELL

APPLICANT'S SUBSTITUTE APPLICATION

Comes now El Paso Natural Gas Company, hereinafter called "Applicant", and files this substitute application which replaces and is completely substituted for an application previously filed with this Commission, being Case No. 1516 on the Examiner Hearing Docket of October 2, 1958, and alleges and states:

1. Heretofore, Jal Oil Company, Inc., a New Mexico Corporation, has drilled Wells Federal #11 well, the location of which is indicated by a plat which is marked "Exhibit 1" and which is attached hereto and made a part hereof, expecting to complete the same as an oil well. Said well was completed as a gas well in the Yates and Seven Rivers Formations.

2. Applicant has acquired all interest in said well and it is situated on lands covered by United States of America Oil and Gas Lease number LC-055546 under which Applicant owns the operating rights for the production of gas.

3. Applicant's Wells Federal #3 well is located 1980 feet from the south line and 1980 feet from **the** west line of the SW/4 of Section 4, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A non-standard proration unit comprising 120 acres should be dedicated to said well which will be composed of the N/2 of the SW/4 and the SE/4 of the SW/4 of Section 4, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Applicant's Wells Federal #11 well is located 430 feet from the south line and 2317 feet from the west line of said Section 4. It is also located 323.4 feet from the east line of the SE/4 of the SW/4 of said Section 4 and 890 feet from the north line of the SE/4 of the SW/4 of said Section 4, and is therefore located in an unorthodox location. Said unorthodox location should be established and dedicated to said Wells Federal #11 well comprising 200 acres which unit should be composed of the NW/4 of Section 9 and the SE/4 of the SW/4 of Section 4, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

4. If the relief requested in this application is granted it will prevent waste and will not prejudice or violate correlative rights.

5. No other interested party is known to applicant.

WHEREFORE, Applicant respectfully requests that notice of this application be given as required by law and that upon final hearing an order be issued to approve said two proposed non-standard proration units and to approve the unorthodox location of Wells Federal #11 well for the production of gas and such other and further relief to which applicant may show itself justly entitled.

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Attorney for EL PASO NATURAL GAS COMPANY