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1006 MAIN STREET

Western Natural Gas Company

NJ0-293

Houston 2, Texas

W. K. DAVIS VICE-PRESIDENT IN CHARGE OF OPERATIONS

June 12, 1956

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Gentlemen:

We herewith make application in triplicate for a gas proration unit of 160 acres consisting of the southwest quarter of Section 27, Township 228, Range 368, Lea County, New Mexico. This unit is to be assigned to our Shipley #1 well in the Jalmat Pool, located 990' from the south line and 1650' from the west line of Section 27-228-36E. We attach herewith three copies of the plat of this unit showing acreage involved, the location of the well, and the offset ownership.

We wish to make the following statements in compliance with Order No. R-520:

- 1. Our Shipley #1 well was completed on June 6, 1947 as a gas well in the Yates-Upper Seven Rivers and in conformance with the rules and regulations in effect at that time.
- 2. This well is completed within the vertical limits and horizontal limits of the Jalmat Pool.
- 3. The location falls within the limits prescribed for a 160 acre unit by Rule 5 (a), Order No. R-520.
- 4. The unit consists of continuous and contiguous acreage.
- 5. The unit lies wholly within a governmental section.
- 6. In my opinion, the unit is reasonably productive of gas.
- 7. The unit does not exceed 5280' along its length or width.
- 3. By copy of this letter and plat, we have notified the following offset owners by registered U.S. Mail:

Continental Oil Company	Gulf Oil Corporation
Box 427	Box 2127
Hobbs, New Mexico	Hobbs, New Mexico

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Houston 2, Lexas

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is with a must the failowing constants in complisice with Order No. 3-940:

- ... Our bhipley #1 well was completed on June 5, 1,47 as a gas well at the Yates-Upper Seven R:vers and in conformance with the rules and regulations in effect at that time.
- This well is completed with a the certical limits and horizontal limits of the Jalast Fool.
  - . The location falls with: the limits preserved for a 100 acreunit by Rule 1 (a), Order 50. R-520.
    - . The welt consists of corving and continuous fores (.
      - . . The lifes wholly willing a coversmental shore any .
    - . In my opinion, the unit is reachedly productive in the.
    - . The wilt does not exceed fill along its length or width.
  - By copy of this laurer and plat, we have nutified the following offset owners by replaced U.C. Mail:

coldsrogaed ito ilet	Continental Oil Company
Box Cla?	Box \$27
Hobbs, Now Mexico	Sobbe, New Yextor