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El Paso Natural Gas Company

El Paso, Texas

April 15, 1955

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

Attention: Mr. W. B. Macey

Re: Application of El Paso Natural Gas Company for approval of a Non-Standard Gas Proration Unit. El Paso Natural Gas Company's Shell-Black #2 Well, W/2 SE/4, SE/4 SW/4 of Section 21, Township 24 South, Range 37 East, N.M.P.M., Jalmat Gas Pool, Lea County, New Mexico.

Gentlemen:

Under the provisions of Commission Order No. R-520, Rules 3 and 5(b), delegating the Secretary of the Commission authority to grant exceptions to the requirements of Rules No. 2 and No. 5(a) without notice and hearing for an unorthodox location and non-standard gas proration unit, respectively, El Paso Natural Gas Company hereby applies for an exception to the aforementioned two rules for the El Paso Natural Gas Company's Shell-Black #2 Well, Jalmat Field.

In support of the above application, the following data is furnished:

The El Paso Natural Gas Company's Shell-Black #2 Gas Well is located 1980 feet from the East Line and 660 feet from the South Line of Section 21, Township 24 South, Range 37 East, N.M.P.M. Said well was commenced on January 22, 1937 and was completed as an oil well by Shell Oil Company on April 15, 1937 at a total depth of 3484 feet. On February 13, 1951 Shell Oil Company conveyed said well to El Paso Natural Gas Company. El Paso re-worked and plugged said well back to 3086 feet. Re-working operations were completed on April 19, 1951. El Paso Natural Gas Company's Shell-Black #2 Well was re-completed as a gas well in the basal Yates and upper Seven Rivers formations for 930 MCFPD absolute open flow. On September 22, 1952 the shut-in pressure was 961 lbs. gauge and 1370 MCFPD absolute open flow. On May 1, 1953 the shut-in pressure was 851 lbs. and 1350 MCFPD absolute open flow.

Concerning the exception to Rule No. 2 we wish to state the following:

1. The unorthodox location was occasioned by the re-completion of the well previously drilled to another horizon.

2. All operators within a 1980 feet radius of the subject well have been furnished a copy of this application.

With regard to the exception to Rule No. 5(a), we wish to state the following:

1. That the proposed non-standard gas proration unit of 120 acres consisting of the W/2 SE/4, SE/4 SW/4 of Section 21, Township 24 South, Range 37 East, is comprised of contiguous quarter-quarter sections.

2. That the proposed non-standard gas proration unit lies wholly within a single governmental section.

3. That the entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas.

4. That the length or width of the proposed non-standard gas proration unit does not exceed 5280 feet.

5. That the entire proposed non-standard gas proration unit lies within the horizontal limits of the Jalmat Gas Pool.

6. That by copy of this letter of application all the other operators owning an interest in the section in which the proposed non-standard gas proration unit is situated and all operators owning an interest within 1500 feet of the well have been notified by registered mail of this application.

A plat showing the acreage to be dedicated to the proposed non-standard gas proration unit, the location of the proposed well, and the offset ownership is attached hereto.

El Paso Natural Gas Company wishes to advise the Commission that it is our intention to use said well as the unit well.

In view of the existence of the facts herein stated and compliance with the provisions of Rules 3 and 5(b) of the Oil Conservation Commission's Order No. R-520, El Paso Natural Gas Company requests that the Secretary of the Commission approve the above described proposed non-standard gas proration unit.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

By R. L. Hamblin
R. L. Hamblin
Manager
Lease Department

RLH:JJB:bjg
Encls.

The State of Texas

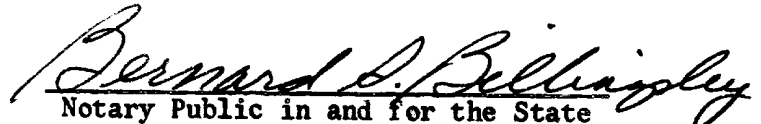
County of El Paso

On this 15th day of April, 1955, before me personally appeared R. L. HAMBLIN, to me known to be the person who executed the foregoing letter and states that the foregoing statements are true to the best of his knowledge and belief.

In witness whereof, I have hereunto set my hand and seal on this day and year first above written.

My Commission expires:

Notary Public, in and for El Paso County, Texas
My commission expires June 1, 1956


Notary Public in and for the State
of Texas, County of El Paso.

Registered Mail

cc: The Texas Company
P. O. Box 1720
Fort Worth, Texas

Stanolind Oil and Gas Co.
P. O. Box 1410
Fort Worth, Texas

Skelly Oil Company
1650 Skelly Building
Tulsa 12, Oklahoma

Shell Oil Company
P. O. Box 1509
Midland, Texas

Plains Production Company
1110 Tower Petroleum Building
Dallas, Texas

Schermerhorn Oil Company
714 First National Building
Tulsa, Oklahoma

Gulf Oil Corporation
P. O. Box 1290
Fort Worth, Texas

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Continental Oil Company
1710 Fair Building
Fort Worth, Texas

Sinclair Oil and Gas Company
Sinclair Oil Building
Tulsa, Oklahoma

Three States Natural Gas Company
Corrigan Tower
Dallas, Texas