El Paso Matural Gas Company El Paso, Texas April 1, 1957

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

Attention: Mr. A. L. Porter, Jr.

Re: Application of El Paso Natural Gas Company for Administrative Approval for a 160,25 acre Non-Standard Gas Proration Unit in the Jalmat Gas Pool for the Westates Petroleum Corporation Wells B-5 #1 Gas Well which is located in Lot 1 of Section 5, Township 25 South, Range 37 East, N.M.P.M. Lea County, New Mexico

NSP 370° Aur 5-9-57

Gentlemen:

El Paso Natural Gas Company respectfully requests Administrative Approval under the provisions of Rule 5(a) and 5(b) of Order No. R-520 for a Non-Standard Gas Proration Unit of 160.25 acres, more or less, consisting of Lots 1, 2, and the S/2 NE/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M. Jalmat Gas Pool, Lea County, New Mexico, and in support thereof states the following facts:

1. That effective as of April 1, 1957, Lots 1, 2, and the S/2 NE/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M. was communitized in order to form a 160.25 acres, more or less, Non-Standard Proration Unit for the Wells B-5 #1 Gas Well.

2. That El Paso Natural Gas Company is the Operator of said communitized tract.

3. That the Westates Petroleum Corporation Wells B-5 #1 Gas Well was drilled at a location of 330 feet from the North line and 990 feet from the East line of Section 5, Township 25 South, Range 37 East, N.M.P.M. and was completed on February 13, 1939 at a total depth of 3556 feet and was plugged back to 3380 feet. A deliverability test was taken on this well on June 26, 1954 and the well gaged 2,661 M.C.F.

4. That this well was completed and producing from the Yates and Upper Seven Rivers Formations prior to September 1, 1954, which is the effective date of the Special Rules for the Jalmat Gas Pool.

5. That Rule 5(a) of Order No. R-520 pertaining to the Special Rules of the Jalmat Gas Pool grants a maximum tolerance of 330 feet in respect to spacing requirements for wells drilled and producing prior to the effective date of said order.

6. That the acreage to be dedicated to this proposed Non-Standard Gas Proration Unit will substantially comply with the maximum acreage allowed under the Provisions of Rule 5(a) of Order No. R-520 with respect to the well location plus the allowed tolerances. New Mexico Oil Conservation Commission April 1, 1957 Page #2

7. That the proposed Non-Standard Gas Proration Unit will meet the requirements of Rule 5(b) of Order No. R-520 in that the proposed unit consists of contiguous quarterquarter sections within a single governmental section, that the length or width thereof does not exceed 5280 feet, and that the entire area of the proposed unit lies within the horizontal limits of the Jalmal Gas Pool and may reasonably be presumed to be productive of gas.

8. That by a copy of this Letter of Applicagion, all of the other operators owning an interest in the section in which the proposed Non-Standard Proration Unit is situated and all operators owning an interest within 1500 feet of the well have by registered mail been notified.

9. That a plat showing the acreage to be dedicated to the proposed Non-Standard Gas Proration Unit, the location of the said well, and the offset ownership is attached hereto.

10. El Paso Natural Gas Company intends to use said well as the unit well.

In view of the existence of the facts herein stated and in compliance with the provisions of Rule 5(b) of Order No. R-520, El Paso Natural Gas Company requests Administrative Approval of said proposed 160.25 acre Non-Standard Gas Proration Unit.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

BY

R. L. Hamblin, Manager Lease Department