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September 30, 1957

New Mexico Oil Conservation Commission Post Office Box 871 Santa Fe, New Mexico

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

Re: Application of El Paso Natural Gas Company for Administrative Approval of a 200 acre Non-Standard Gas Proration Unit in the Jalmat Gas Pool for its Wells Federal #1 Well which is located in the NE/4 SE/4 of Section 5, T-25-S, R-37-E, N.M.P.M., Lea County, New Mexico

Gentlemen:

El Paso Natural Gas Company respectfully requests Administrative Approval under the provisions of Rule 5(b) of Order R-520 for a Non-Standard Gas Proration Unit of 200 acres, more or less, consisting of the SE/4 and SE/4 SW/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof states the following facts:

1. That R. Olsen completed the Wells Federal #1 Well on December 15, 1955. This well was drilled to a total depth of 3575 feet but was plugged back to 3295 feet and is now a well producing from the Jalmat Gas Pool with an initial potential of 21,000 MCF absolute open flow. This well is located 660 feet from the East line, and 1980 feet from the South line of said Section 5.

2. That by Bill of Sale dated May 25, 1956, R. Olsen sold this well to El Paso Natural Gas Company.

3. That for gas allocation purposes, this well is currently assigned a 160 acre gas proration unit by New Mexico Oil Conservation Commission Administrative Order NSP-266 dated May 17, 1956, consisting of the SE/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

4. That El Paso Natural Gas Company holds the gas operating rights under the entire 200 acre unit being the SE/4 and SE/4 SW/4 of Section 5, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

5. That the proposed Non-Standard Gas Proration Unit will meet the requirements of Rule 5(b) of Order R-520 in that the proposed unit consists of contiguous quarter-quarter sections within a single governmental section, that the proposed unit lies within the horizontal limits of the Jalmat Gas Pool and may reasonably be presumed to be productive of gas. The length and width of the proposed Non-Standard Gas Proration Unit does not exceed 5280 feet.

6. That by a copy of this Letter of Application, all of 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 by registered mail been notified.

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7. 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 here-to.

8. El Paso Natural Gas Company wishes to advise the Commission that it is its intention to use this 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 200 acre Non-Standard Gas Proration Unit.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY

Sam Smith. Manager

Land Department

THE STATE OF TEXAS

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SS:

On this <u>30</u> th day of <u>Cliffer</u>, 1957, before me personally appeared SAM SMITH, 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: June 1, 1959

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

HELEN ADAMS Notery Public is had for Clibert County, Texas

New Mexico Oil Conservation Commission

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The First Chicago Corporation First National Bank Building Chicago 90, Illinois

Westates Petroleum Corporation 391 Sutter Street San Francisco 8, California

Anderson-Prichard Oil Corporation Liberty Bank Building Oklahoma City, Oklahoma

Cooperative Refinery Association P. O. Box 2359 Kansas City, Missouri

Leonard Oil Company Box 708 Roswell, New Mexico Indian Petroleum Company 391 Sutter Street San Francisco 8, California

R. Olsen Oil Company Liberty Bank Building Oklahoma City, Oklahoma

Western Natural Gas Company 1006 Main Street Houston, Texas

Pan American Petroleum Corporation P. O. Box 591 Tulsa, Oklahoma

Langlie Unit Planning Committee c/o Anderson-Prichard Oil Corporation Liberty Bank Building Oklahoma City, Oklahoma Attention: Mr. C. T. McClure