AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1.TEXAS

NWIN 722 for 11-20

October 16, 1957

Mr. A. L. Porter, Secretary-Director New Mexico Cil Conservation Commission State of New Mexico Santa Fe, New Mexico

> Re: Application of Aztec Oil & Gas Company for an exception to Rule 6(a) of order No. R-565, as amended, for administrative approval of a Non-Standard Gas Proration Unit in the Aztec-Pictured Cliffs Gas Pool, San Juan County, New Mexico

Dear Mr. Porter:

Aztec Oil & Cas Company hereby submits its application for administrative approval of a non-standard ras proration unit comprising the SWL of Section 19, Township 20 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, and further requests that upon approval of such non-standard gas proration unit, Aztec be given an allowable in the ratio which the area of such unit bears to a standard proration unit of 160 acres; i.e., 142.28/160.

In support of this application, Aztec respectfully states and shows the following:

- (1) The requested Non-Standard Cas Promation Unit is substantially in the form of a square consisting of Lots 3 (31.07 acres), 4 (31.21 acres), and the E2SW1 said Section 19 (80 acres) and containing a total of 142.28 acres which are contiguous surface lots and quarter-quarter sections.
- (2) The non-standard size of the tract is due to a variation in the legal sub-division of the United States Public Land Survey.
- (3) The non-standard unit lies wholly within a single governmental section.
- (4) The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.

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- (5) The acreage comprising the requested unit is dedicated to a well known as the No. 8 Reid which has been drilled on the requested non-standard unit.
- (6) So far as is known to applicant, El Pasc Natural Gas Company with offices in the El Pasc Natural Gas Building, El Pasc, Texas, is the only operator other than Aztec owning an interest in leases offsetting the requested unit and such company has been furnished a copy of this application by registered mail.
- (7) Aztec Oil & Cas Company is the only operator in the section in which this non-standard unit is located.

Aztec Oil & Gas Company respectfully requests, under the provisions of Rule  $\delta(b)$  of order R-565, as amended, that the Secretary-Director of the Commission grant an exception to Rule  $\delta(a)$ , as amended, without notice and hearing, approving the Non-Standard Gas Proration Unit and allowable as hereinabove described.

Yours very truly,

Quilman B. Davis General Attorney

STATE OF TEXAS

COUNTY OF DALLAS )

Quilman B. Davis, being first duly sworn, hereby states that he is Attorney of Aztec Oil & Gas Company, the applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and to the best of his knowledge, information and belief all statements of fact contained therein are true and correct.

Sworn to and subscribed before me the undersigned authority this 16th de of October, 1957.

My Commission Expires:

June 1, 1959

Notary Public in and for

Dallas County, Texas