

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 892
Order No. R-662

THE APPLICATION OF AZTEC OIL & GAS
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 6 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE FULCHER KUTZ-
PICTURED CLIFFS GAS POOL OF ORDER NO.
R-565 IN ESTABLISHMENT OF A NON-STANDARD
GAS PRORATION UNIT OF 160 CONTIGUOUS ACRES
CONSISTING OF THE S/2 SE/4 SECTION 29 AND
N/2 NE/4 SECTION 32, TOWNSHIP 29 NORTH,
RANGE 11 WEST, NMPM, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on May 18, 1955 and June 28, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 14th. day of July, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 6 (a) of the Special Rules and Regulations for the Fulcher Kutz-Pictured Cliffs Gas Pool of Order No. R-565, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Aztec Oil and Gas Company, is the owner of an oil and gas lease in San Juan County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
S/2 SE/4 Section 29
N/2 NE/4 Section 32

containing 160 acres, more or less.

(4) That applicant, Aztec Oil and Gas Company, has a producing well on the aforesaid lease known as Viles Well No. 6-B located 330 feet from the South line and 990 feet from the East line of Section 29, Township 29 North, Range 11 West, San Juan County, New Mexico.

(5) That the aforesaid well was completed and in production prior to December 23, 1954, the effective date of Order No. R-565, and is located within the horizontal limits of the pool heretofore delineated and designated as the Fulcher Kutz-Pictured Cliffs Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Fulcher Kutz-Pictured Cliffs Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 160 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Fulcher Kutz-Pictured Cliffs Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Aztec Oil and Gas Company for approval of a non-standard gas proration unit consisting of the following described acreage:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
S/2 SE/4 Section 29
N/2 NE/4 Section 32

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Viles Well No. 6-B, located in the SE/4 SE/4 Section 29, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, shall be granted an allowable for a 160 acre unit for said pool, all until further order of the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

Oil Conservation Commission - Signed by: John F. Simms, Chairman; E.S. Walker, Member; W. B. Macey, Member and Secretary.
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