

Case No.

620

Application, Transcript,
Small Exhibits, Etc.

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. 620
Order No. R-524

THE APPLICATION OF AZTEC OIL AND
GAS COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF THE SW/4 NW/4 OF SECTION
27, and the E/2 NE/4 OF SECTION 28, TOWN-
SHIP 19 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE EUMONT GAS
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on
December 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation
Commission, hereinafter referred to as the "Commission".

NOW, on this 2nd day of September, 1954, 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 7 (a) of Order No.
R-370-A, 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 Lea County, New Mexico the land consisting of other
than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
SW/4 NW/4 of Section 27 and E/2 NE/4 of Section 28

containing 120 acres, more or less.

(4) That applicant, Aztec Oil and Gas Company, has a
producing well on the aforesaid lease known as Burk No. 2, located 1980'
from the North line and 660' from the East line of Section 28, Township 19
South, Range 37 East.

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That the applicant has not attempted to pool or communitize its said lease with adjoining acreage in NE/4 of Section 27.

(7) That Gulf Oil Corporation owns acreage adjoining the applicant's lease, said acreage consisting of N/2 NW/4 and W/2 NE/4 of Section 27; that Humble Oil and Refining Company also owns acreage adjoining applicant's lease, said acreage consisting of SE/4 NW/4 of Section 27.

(8) That Gulf Oil Corporation and Humble Oil and Refining Company have each specifically protested and objected to the proposed proration unit of 120 acres applied for by the applicant.

(9) That there is no showing made 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 in the Eumont Gas Pool, or that such a unit is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

That the application of Astec Oil and Gas Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
SW/4 NW/4 of Section 27 and E/2 NE/4 of Section 28

be, and the same is hereby disapproved and denied.

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

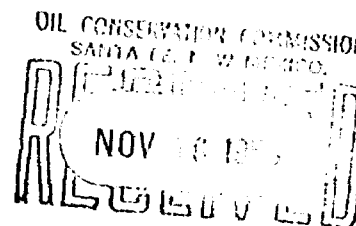
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

S E A L



BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
AZTEC OIL & GAS COMPANY FOR APPROVAL)
OF AN UNORTHODOX GAS PRORATION UNIT)
IN THE EUMONT POOL, LEA COUNTY, NEW)
MEXICO)

CASE NO. 620

APPLICATION

The undersigned Applicant, Aztec Oil & Gas Company, respectfully petitions the Commission for the issuance of an order approving an unorthodox gas proration unit in the Eumont Gas Pool comprising the $SW\frac{1}{4}NW\frac{1}{4}$ of Section 27, and the $E\frac{1}{2}NE\frac{1}{4}$ of Section 28, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit "A", and containing 120 acres, more or less.

In support of this application, Applicant alleges and states:

1. That Applicant is a corporation organized under the laws of the State of Delaware and is qualified to transact business in the State of New Mexico. Its principal place of business is located at 1104 Burt Building, Dallas, Texas, and it also maintains an office at Hobbs and Farmington, New Mexico.
2. That Applicant is the present owner and holder of an oil and gas lease executed by Samuel T. Burk and his wife, as Lessors, covering and embracing, among other lands, the $SW\frac{1}{4}NW\frac{1}{4}$ of Section 27, and the $E\frac{1}{2}NE\frac{1}{4}$ of Section 28, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
3. That Applicant's predecessor, Southern Union Gas Company, drilled and completed its Burk No. 2 gas well on the above described lands at a location 1980' South of the North line, and 660' West of the East line of Section 28, Township 19 South, Range 37 East, N.M.P.M. This well is presently connected to the gathering system of Southern Union Gas Company.
4. That Southern Union Gas Company and Applicant have been unable to effectively pool the above lease so as to form an orthodox proration unit.
5. That Applicant's well is a marginal well and approval of the proposed unorthodox gas proration unit will not seriously affect or jeopardize future drilling, if any, in the area.

Therefore, Applicant respectfully requests that this matter be set down for hearing before the Commission; that notice thereof be given as required by law and the regulations of the Commission; and that upon final hearing the Commission enter its order approving the unorthodox gas proration unit as requested by Applicant in this application.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Q. B. Davis
Its Attorney

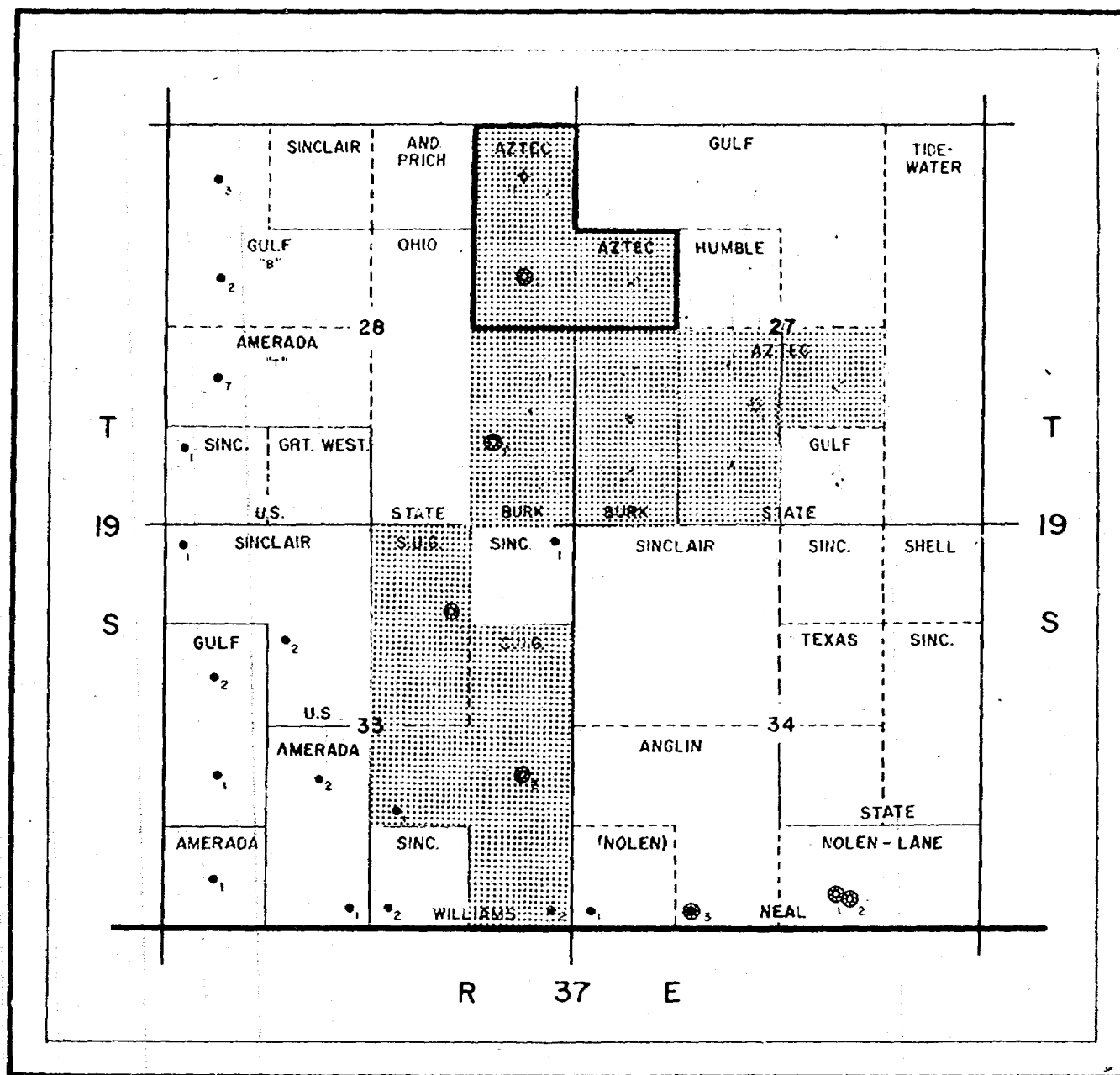
STATE OF TEXAS }
COUNTY OF DALLAS } SS

Subscribed and sworn to before me by Quilman B. Davis, Attorney of Aztec Oil & Gas Company, the above named Applicant, this 10th day of November, 1953.

Naomi R. Langston
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955



Aztec Oil & Gas Company

Exhibit "A"

[illegible]

Contours: top of Queen
Contour Interval: 10 feet

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Dec 17 1953 Hearing - CROSS FILE: Re Cases 613 - 626, incl.

In File Case 613, note Shell Oil Company statement, which was to
be applied to Cases 613 - 626, incl.

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