

**CASE 2000: Application of Antec Oil
& Gas Co. for a 320-acre non-standard
gas unit in the Basin-Dakota Pool.**

Case No.

2200

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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 425
ORDER No. R-230

THE APPLICATION OF GREENBRIER OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION TO ORDER
NO. 799, AS AMENDED BY ORDER NO. R-110,
TO PERMIT THE DRILLING OF A WELL TO
TEST THE MESAVERDE FORMATION ON A
DRILLING UNIT OF 320 ACRES OF WHICH
280 ACRES LIE IN SECTION 23, AND 40 ACRES
IN SECTION 24, ALL IN TOWNSHIP 31 NORTH,
RANGE 12, WEST, NMPM, SAN JUAN COUNTY,
NEW MEXICO IN THE BLANCO-MESAVERDE POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on November 20, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

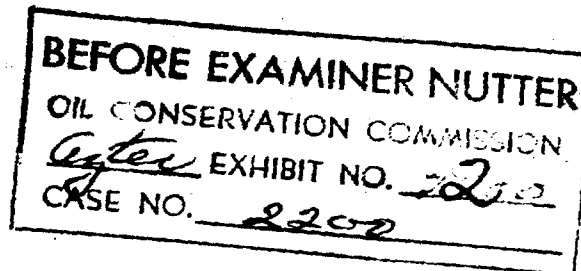
NOW, on this 4th day of December, 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.
- (2) That applicant is the owner of an oil and gas lease covering the following described land in San Juan County, New Mexico:

Township 31 North, Range 12 West, NMPM
Section 23: NE/4, N/2 SE/4, SW/4 SE/4;
Section 24: NW/4 NW/4,

containing 320 acres, more or less.



Case No. 425
Order No. R-230

(3) That under the provisions of Order No. 799, as amended by Order No. R-110, the Commission provided that all wells drilled in the Blanco-Mesaverde Pool shall be located on a designated drilling unit of 320 acres, said drilling unit being in the form of a rectangle and being north half, south half, east half or west half of a section.

(4) That Aztec Oil and Gas Company owns or holds options, operating or other contractual rights surrounding the above proposed unit and has no objection to the approval of the unorthodox drilling unit.

(5) That approval of this unorthodox drilling unit is in the interest of conservation, will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Greenbrier Oil Company for approval of an unorthodox drilling unit be, and it hereby is approved.

(2) That the unorthodox drilling unit shall comprise the following described acreage in San Juan County, New Mexico, in the Blanco-Mesaverde Pool:

Township 31 North, Range 12 West, NMPM
Section 23: N/2, N/2 SE/4, SW/4 SE/4;
Section 24: NW/4 NW/4.

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

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

EDWIN L. MECHEM, CHAIRMAN

GUY SHEPARD, Member

R. R. SPURRIER, SECRETARY

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 425
Order No. R-230-A

THE APPLICATION OF GREENBRIER OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION TO ORDER
NO. 799, AS AMENDED BY ORDER NO. R-110,
TO PERMIT THE DRILLING OF A WELL TO
TEST THE MESAVERDE FORMATION ON A
DRILLING UNIT OF 320 ACRES, OF WHICH
280 ACRES LIE IN SECTION 23, AND 40 ACRES
IN SECTION 24, ALL IN TOWNSHIP 31 NORTH,
RANGE 12 WEST, NMPM, SAN JUAN COUNTY,
NEW MEXICO, IN THE BLANCO-MESAVERDE
POOL.

NUNC PRO TUNC ORDER OF THE COMMISSION

BY THE COMMISSION:

It appearing to the Commission that the order heretofore entered in the
above-entitled case under date of December 4, 1952, is not a correct memorial of
the judgment as rendered by this Commission, in that the actual order portion
describes the proposed drilling unit as:

Township 31 North, Range 12 West, NMPM
Section 23: N/2, N/2 SE/4, SW/4 SE/4;
Section 24: NW/4 NW/4

When it should have been shown as providing that the unit be as follows:

Township 31 North, Range 12 West, NMPM
Section 23: NE/4, N/2 SE/4, SW/4 SE/4;
Section 24: NW/4 NW/4

IT IS THEREFORE ORDERED:

That the unorthodox drilling unit as described in Order R-230 be verified
as containing the following described lands:

Township 31 North, Range 12 West, NMPM
Section 23: NE/4 N/2 SE/4, SW/4 SE/4;
Section 24: NW/4 NW/4

| | |
|-----------------------------|----------------------|
| BEFORE EXAMINER NUTTER | |
| OIL CONSERVATION COMMISSION | |
| <i>Carter</i> | EXHIBIT NO. <u>3</u> |
| CASE NO. | <u>2200</u> |

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Case No. 425

Order No. R-230-A

IT IS FURTHER ORDERED:

That this order be entered nunc pro tunc as of December 4, 1952, the date upon which the original Order R-230 was entered, and that said Order R-230 be ratified and verified in all other respects.

DONE at Santa Fe, New Mexico, this 17th day of March, 1954.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

SEAL

AZTEC OIL AND GAS CO. DALLAS MARCH 1, 1961

JOE SALMON

MR. QUILMAN DAVIS
AZTEC OIL AND GAS CO.
920 MERCANTILE BUILDING
DALLAS, TEXAS

RE CASE NO. 425
ORDER NO. R-230 AND
ORDER NO. R-230-A.

DEAR SIR
REFERENCE IS MADE TO THE ABOVE CAPTIONED CASE AND ORDER PERTAINING
TO THE APPROVAL OF THE GREENBRIER OIL COMPANY'S APPLICATION FOR
APPROVAL OF A 320-ACRE UNORTHODOX DRILLING UNIT LOCATED ON THE FOLLOW-
ING DESCRIBED LEASE IN SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 31 NORTH, RANGE 12 WEST
SECTION 23, NE/4, N/2 SE/4, SW/4 SE/4
SECTION 24, NW/4 NW/4.
WHEN THE ABOVE DRILLING UNIT WAS CREATED BY ORDER NO. R-230 IT
OBVIOUSLY LEFT AN UNORTHODOX DRILLING UNIT AS AN OFFSET TO THE EAST
OWNED BY AZTEC OIL AND GAS COMPANY. IN VIEW OF THE EXISTING ORDER AND
THE STATEMENTS MADE AT THE HEARING, I DO NOT BELIEVE IT NECESSARY
FOR AZTEC TO HAVE A HEARING IN ORDER TO OBTAIN APPROVAL OF THEIR
UNORTHODOX UNIT.

YOU ARE HEREBY AUTHORIZED TO DRILL A WELL IN THE SW/4 OF SECTION 24
TOWNSHIP 31 NORTH, RANGE 12 WEST IN CONFORMANCE WITH THE POOL RULES,
THE DRILLING UNIT TO COMPRISE THE FOLLOWING DESCRIBED ACREAGE
TOWNSHIP 31 NORTH, RANGE 12 WEST
SECTION 23, SE/4 SE/4
SECTION 24, NE/4 NW/4, S/2 NW/4, SW/4.
VERY TRULY YOURS,

W. B. MACY
SECRETARY - DIRECTOR

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Cyler EXHIBIT NO. 4

CASE NO. 2200

2200

ARTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

February 3, 1961

LAND DEPARTMENT
H. L. SNIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

R-230 - H. Greenbrier
R-230 - J. M. V.
No unit in MV.
No number -
letter from
mealy.

Re: Application of Aztec Oil & Gas Company for an exception to Rule 5(a) of Order R-1670 approving a Non-Standard Gas Proration Unit in the Basin Dakota Gas Pool, San Juan County, New Mexico

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its Application in triplicate for an exception to Rule 5(a) of Order No. R-1670 and approval of a non-standard gas proration unit consisting of Section 23, SE $\frac{1}{4}$ SE $\frac{1}{4}$ and Section 24, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, T-31-N, R-12-W, N.M.P.M., San Juan County, New Mexico.

In support of this Application, Applicant respectfully states and shows the following:

1. By order No. R-230-A dated October 8, 1954, the Commission authorized the drilling of a well in the SW $\frac{1}{4}$ of Section 24, T-31-N, R-12-W, the drilling unit to comprise the acreage above described. A well, known as the Aztec-East No. 5, located sixteen hundred and fifty feet (1,650') from the West line and nine hundred and ninety feet (990') from the South line of Section 24, was completed November 10, 1954, in the Mesa Verde formation.
2. Applicant plans to re-enter the East No. 5 and to deepen the well to a depth sufficient to test the Dakota formation.

Mr. A. L. Porter

-2-

February 3, 1961

Should such deepening be successful, it is planned to complete the well as a dual producer in the Blanco Mesa Verde Gas Pool and the Basin Dakota Gas Pool.

3. Applicant owns all the acreage within the Sections in which the non-standard gas proration unit is located and owns all offsetting acreage to such unit with the exception of Section 23, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ and Section 24, NW $\frac{1}{4}$ NW $\frac{1}{4}$, T-31-N, R-12-W, N.M.P.M. which is owned by Greenbrier Oil Company, as indicated on Exhibit "A" attached hereto.

The Commission has approved an unorthodox drilling unit for the Greenbrier acreage by Order No. R-230 pertaining to the Blanco Mesa Verde Gas Pool.

4. The non-standard gas proration unit consists of contiguous quarter-quarter Sections or Lots.

5. With the exception of SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23 the non-standard gas proration unit lies wholly within a single governmental Section.

6. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.

7. The length or width of the non-standard gas proration unit does not exceed 5,280 feet.

Applicant respectfully requests that this Application be set for hearing and promptly considered and that approval be granted for the non-standard gas proration unit above described.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

February 3, 1961

PM 1:50

Case 2200

LAND DEPARTMENT
H. L. SNIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Aztec's Application for
NSGPU for East #5 in
Basin Dakota Gas Pool

Dear Mr. Porter:

Enclosed in triplicate is Aztec's captioned Application
along with a letter from Greenbrier Oil Company consenting to
the designation of this non-standard unit.

Please advise when this case will be heard.

Yours very truly,

Kenneth A. Swanson

jk

cc: Greenbrier Oil Company
Continental Life Building
Ft. Worth, Texas

*Docket
Mailed
2-17-61
JH*

GENERAL OFFICES
720 PAYNE AVE.
ST. PAUL 2, MINN.

GREENBRIER OIL COMPANY

1413 CONTINENTAL LIFE BLDG.

TELEPHONE ED 2-2143

FORT WORTH 2, TEXAS

February 2, 1961

1961 FEB 6 PM 1:59

Case 2266

Aztec Oil and Gas Company
920 Mercantile Securities Bldg.
Dallas 1, Texas

ATTN: Mr. Kenneth A. Swanson

Re: H-178
Hedges #1
San Juan County, New Mexico

Gentlemen:

In response to your telegram of February 1, you may consider this letter as our consent for you to deepen your well #5 to the Dakota formation. It is our understanding that this well is located in the SW/4 of Section 24 and will be completed on a non-standard unit.

Yours very truly,

GREENBRIER OIL COMPANY

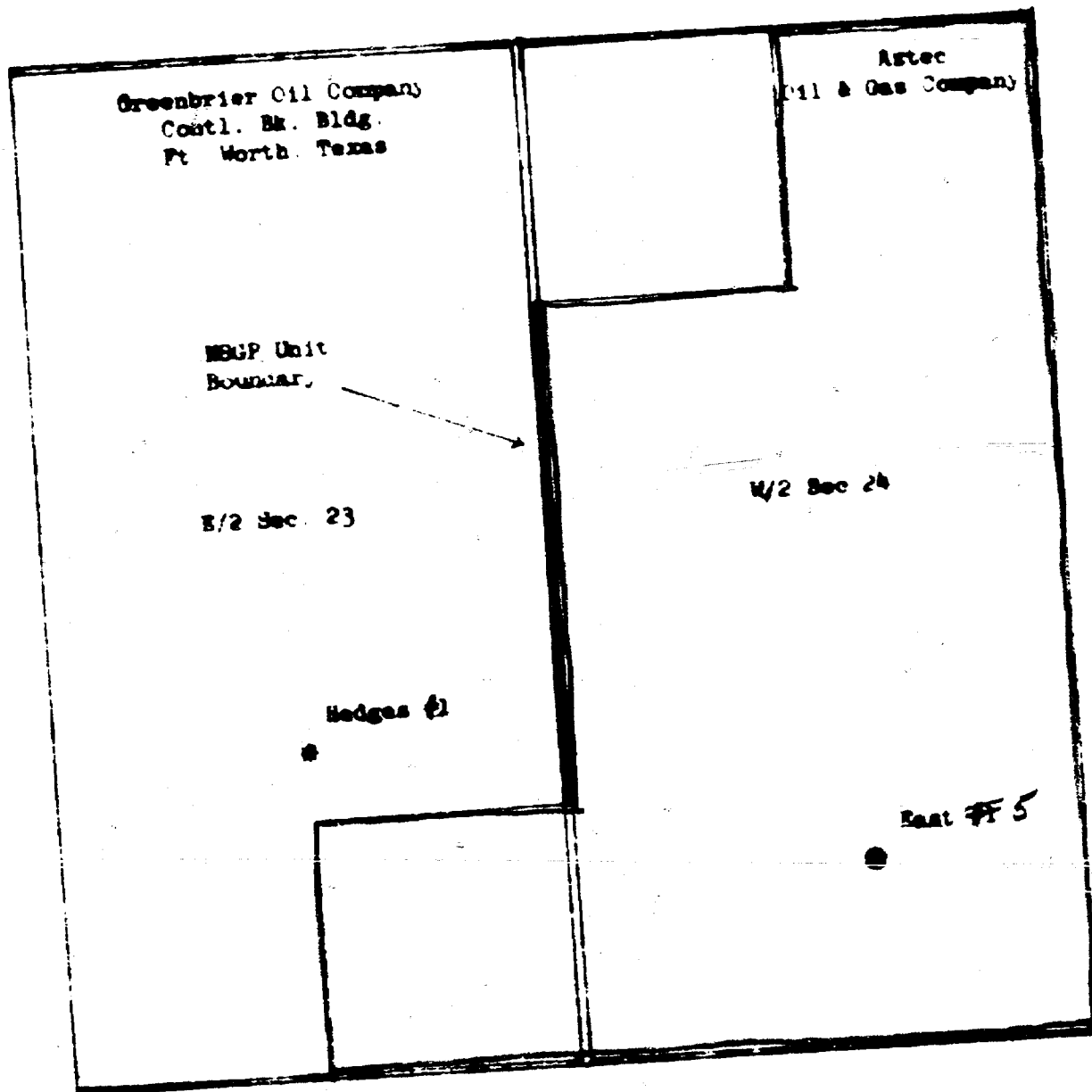
H. H. Brown
H. H. Brown

HHB:kr

*Doyle
Matter*

| | |
|-----------------------------|----------------------|
| BEFORE EXAMINER MUTTER | |
| OIL CONSERVATION COMMISSION | |
| <i>Cytee</i> | EXHIBIT NO. <u>5</u> |
| CASE NO. <u>2200</u> | |

Astec



Astec

Scale: 5" = 1 mile

EXHIBIT "A"

Astec Oil & Gas Company's Application for approval of Non-Standard Gas Production Unit in Basin Dakota Gas Pool for East #5 Well consisting of Sec. 23: SE/4 SE/4 Sec. 24 NE/4 NW/4, S/2 NW/4, SW/4 31-N, R-12-W, NMPM, San Juan County, New Mexico

| | |
|-------------------------------|----------------------|
| BEFORE EXAMINER NUTTER | |
| OIL CONSERVATION COMMISSION | |
| <i>Cyler</i> | EXHIBIT NO. <u>1</u> |
| CASE NO. <u>2200</u> | |

DOCKET: EXAMINER HEARING - FRIDAY, MARCH 3, 1961

OIL CONSERVATION COMMISSION - 9 A.M., CONFERENCE ROOM - STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

Cases 2210 through 2213 will not be heard before 1:00 P.M.

CASE 2199: Application of Texaco, Inc. for an oil-oil-oil triple completion. Applicant, in the above-styled cause, seeks an order authorizing the triple completion of its A. H. Blinebry (NCT-1) Well No. 13, located in Unit E, Section 29, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard Pool, the production of oil from the Blinebry Oil Pool and the production of oil from the Paddock Pool through parallel strings of tubing.

CASE 2200: Application of Aztec Oil & Gas Company for a 320-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Basin-Dakota Pool consisting of the SE/4 SE/4 of Section 23 and all of the W/2 of Section 24 except the NW/4 NW/4, Township 31 North, Range 12 West, San Juan County, New Mexico. Said unit is to be dedicated to the East Well No. 5, located 990 feet from the South line and 1650 feet from the West line of said Section 24.

CASE 2201: Application of El Paso Natural Gas Company for a gas-gas dual completion utilizing two strings of casing. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 116, located in Unit C, Section 11, Township 26 North, Range 10 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the Gallup formation adjacent to the Angels Peak-Gallup Pool and the production of gas from the Basin-Dakota Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2202: Application of Pan American Petroleum Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Drinkard and Paddock Pools from all wells presently completed on the Eva Owen B Lease, comprising the SW/4 of Section 34, Township 21 South, Range 37 East, Lea County, New Mexico, without separately metering the production from each pool.

- CASE 2203: Application of Pan American Petroleum Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Drinkard and Paddock Pools from all wells presently completed on the L. E. Grizzel "B" Lease, comprising the S/2 NE/4 of Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, without separately metering the production from each pool.
- CASE 2204: Application of Pan American Petroleum Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Drinkard and Penrose-Skelly Pools from all wells presently completed on the J. W. Grizzell Lease, comprising the SW/4 of Section 5, Township 22 South, Range 37 East, Lea County, New Mexico, without separately metering the production from each pool.
- CASE 2205: Application of Tamanaco Oil Corporation for an unorthodox well location. Applicant, in the above-styled cause, seeks approval of an unorthodox well location for its El Poso Ranch N-11 Well at a point 175 feet from the South line and 1700 feet from the West line of Section 11, Township 28 North, Range 1 East, Rio Arriba County, New Mexico.
- CASE 2206: Application of The Ohio Oil Company for permission to transfer allowables. Applicant, in the above-styled cause, seeks permission to shut-in certain wells in the Lea Unit, both in the Devonian and Bone Springs formations, and transfer the allowable for such wells, for a limited period of time, to other wells within said Lea Unit, Township 20 South, Ranges 34 and 35 East, Lea County, New Mexico.
- CASE 2207: Application of Honolulu Oil Corporation for a pressure maintenance project. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Chisum Oil Pool, Chaves County, New Mexico, by the injection of water into certain wells underlying its State B Lease, N/2 SE/4 of Section 13, Township 11 South, Range 27 East. Applicant further seeks the promulgation of special rules and regulations governing said project.

CASE 2208:

Application of Great Western Drilling Company for a water injection-oil producing dual completion and for an exception to Rule 107 (d). Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal MM Well No. 1, located in the NW/4 NE/4 of Section 8, Township 9 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the injection of water into an interval from 4300 feet to 9400 feet and the production of oil from an undesignated Pennsylvanian pool. Applicant further seeks an exception to Rule 107 (d) to permit the setting of tubing in said well more than 250 feet above the top of the pay section.

CASE 2209:

Application of The Atlantic Refining Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Denton-Wolfcamp and Denton-Devonian Pools from all wells presently completed or hereafter drilled on the State "T" Lease, comprising the SE/4 NW/4, E/2 SW/4 and SW/4 SW/4 of Section 2, Township 15 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

The following cases will not be heard before 1:00 P.M.

CASE 2210:

Application of Humble Oil & Refining Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the commingled production from the Eumont, Arrowhead and Langlie-Mattix Pools from all wells presently completed or hereafter drilled on the State "M" Lease, comprising portions of Sections 17, 18, 19, 20, 29 and 30, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2211:

Application of Union Oil Company of California for an unorthodox water injection well location. Applicant, in the above-styled cause, seeks permission to locate a water injection well in the South Caprock Queen Unit, Caprock-Queen Pool, at an unorthodox location 1325 feet from the North line and 330 feet from the East line of Section 18, Township 15 South, Range 31 East, Chaves County, New Mexico.

CASE 2212: Application of Union Oil Company of California for permission to commingle the production from two separate leases from two separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Anderson Ranch-Devonian and Andersen Ranch-Wolfcamp Pool production from all wells presently completed or hereafter drilled on the following-described leases: North Anderson Ranch Unit, E/2 NE/4 and NE/4 SE/4 of Section 32 and NW/4 and N/2 SW/4 of Section 33; State "A" Lease, comprising 360 acres in Sections 28 and 33, all in Township 15 South, Range 32 East, Lea County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

CASE 2213: Application of E. G. Rodman for a 160-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the W/2 NW/4, NE/4 NW/4 and NW/4 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 2214: Application of Sinclair Oil & Gas Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of the Keel Deep Unit Agreement, which unit embraces 6,155.5 acres of Federal and State lands in Township 17 South, Range 31 East, Eddy County, New Mexico.

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 3/6/61

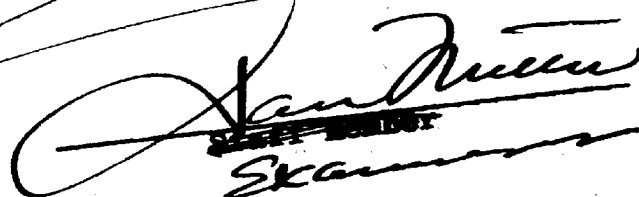
HEARING DATE 9am 3/3/61
DSN @ SF

CASE NO. 2200

My recommendations for an order in the above numbered case(s) are
as follows:

Enter order approving non standard
gas production unit in ~~late~~ Basin
Dakota gas Pool as requested
by Aztec.

Unit is to consist of SW $\frac{1}{4}$, E $\frac{1}{2}$
NW $\frac{1}{4}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section
24, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section
23, Township 31 North Range 12 W
S. J. Co., N Mex


EXAMINER

pmw
3/7
DRAFT

RSM/esr
March 7, 1961

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

3/8
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

JSu
CASE No. 2200

Order No. R- *1902*

APPLICATION OF AZTEC OIL & GAS COMPANY
FOR A 320-ACRE NON-STANDARD GAS PRORA-
TION UNIT IN THE BASIN-DAKOTA POOL,
SAN JUAN AND RIO ARRIBA COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
March 3, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this _____ day of March, 1961, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Aztec Oil & Gas Company, is the
owner and operator of the SW/4, the E/2 NW/4 and the SW/4 NW/4
of Section 24, and the SE/4 SE/4 of Section 23, Township 31 North,
Range 12 West, NMPM, San Juan County, New Mexico, which applicant
proposes be established as a 320-acre non-standard gas proration
unit in the Basin-Dakota Pool.

(3) That the applicant is the operator of the East Well
No. 5, located 990 feet from the South line and 1650 feet from
the West line of said Section 24, to which well the proposed
320-acre non-standard gas proration unit is to be dedicated.

(4) That the proposed 320-acre proration unit can reason-
ably be presumed to be productive of gas from the Basin-Dakota
Pool.

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CASE No. 2200

(5) That establishment of the above-described non-standard gas proration unit will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That a 320-acre non-standard gas proration unit in the Basin-Dakota Pool consisting of the SW/4, the E/2 NW/4 and the SW/4 NW/4 of Section 24, and the SE/4 SE/4 of Section 23, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, is hereby established. Said unit is to be dedicated to applicant's East Well No. 5, located 990 feet from the South line and 1650 feet from the West line of said Section 24.

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

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

March 9, 1961

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. George Verity
152 Petroleum Center Building
Farmington, New Mexico

Re: Case No. 2200
Order No. E-1902
Applicant:
Astec Oil & Gas Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

OTHER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2200
Order No. R-1902

APPLICATION OF ARTEC OIL & GAS COMPANY
FOR A 320-ACRE NON-STANDARD GAS PRODA-
TION UNIT IN THE BASIN-DAKOTA POOL,
SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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March 3, 1961, at Santa Fe, New Mexico, before Daniel S. Mutter,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

Now, on this 9th day of March, 1961, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Daniel S. Mutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Artec Oil & Gas Company, is the
owner and operator of the SW/4, the E/2 NW/4 and the SW/4 NW/4
of Section 24, and the SE/4 SE/4 of Section 23, Township 31 North,
Range 12 West, NMPM, San Juan County, New Mexico, which applicant
proposes be established as a 320-acre non-standard gas production
unit in the Basin-Dakota Pool.

(3) That the applicant is the operator of the East Well
No. 5, located 990 feet from the South line and 1650 feet from
the West line of said Section 24, to which well the proposed
320-acre non-standard gas production unit is to be dedicated.

(4) That the proposed 320-acre production unit can reason-
ably be presumed to be productive of gas from the Basin-Dakota
Pool.

(5) That establishment of the above-described non-standard
gas production unit will neither cause waste nor impair correlative
rights.

-2-

CASE No. 2200
Order No. R-1902

IT IS THEREFORE ORDERED:

That a 320-acre non-standard gas proration unit in the Basin-Dakota Pool consisting of the SW/4, the E/2 NW/4 and the SW/4 NW/4 of Section 24, and the SE/4 SE/4 of Section 23, Township 31 North, Range 12 West, NEM, San Juan County, New Mexico, is hereby established. Said unit is to be dedicated to applicant's East Well No. 8, located 990 feet from the South line and 1650 feet from the West line of said Section 24.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mc

EDWIN L. MCKEN, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary

esx/

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 3, 1961

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for a 320-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Basin-Dakota Pool consisting of the SE/4 SE/4 of Section 23 and all of the W/2 of Section 24 except the NW/4 NW/4, Township 31 North, Range 12 West, San Juan County, New Mexico. Said unit is to be dedicated to the East Well No. 5, located 990 feet from the South line and 1650 feet from the West line of said Section 24.

Case
2200

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call 2200.

MR. MORRIS: Case 2200, application of Aztec Oil and Gas Company for a 320-acre non-standard gas proration unit.

MR. VERITY: George L. Verity for the applicant.

MR. MORRIS: Mr. Verity, do you have only the one witness?

MR. VERITY: Yes.

(Witness sworn.)

MR. VERITY: By way of introduction to this matter, I would like to relate that in 1952 the Commission entered order No. R-230 and R-230 (a) on the application of Greenbrier Oil Company for a non-standard unit in the Mesa Verde, which I will show you the

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shape of in just a moment on a plat, and shortly thereafter, by administrative order, the Commission granted to Aztec Oil & Gas Company permission to drill a non-standard unit immediately adjacent and contiguous to the non-standard unit given to Greenbrier Oil Company.

MR. NUTTER: What number is that non-standard administered administratively?

MR. VERITY: It was done on a letter from W. B. Macy, Secretary-Director, who made reference to a Greenbrier Order.

MR. NUTTER: There is no number?

MR. VERITY: It was an administrative, and they acknowledged that when they granted Greenbrier permission to drill its non-standard they had considered the situation of Aztec with a comparative non-standard unit, and they considered it and intended it to include it in scope, so we have that administrative order and I will introduce a copy of it in evidence.

JOE C. SALMON,

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q Will you state your name, please?

A Joe C. Salmon.

Q Mr. Salmon, what is your occupation?

A District Superintendent for Aztec Oil & Gas Company,

Farmington, New Mexico.

Q Are you a graduate geologist?

A I am.

Q Are you familiar with the geology with regard to the Dakota formation underlying the W/2 of Section 24, Township 31 North, Range 12 West, and the E/2 of 23, Township 31 North, 12 West?

A I am.

Q In your opinion is all of the W/2 of 24 and the SE/4 of the SE/4 of 23 underlain by effective section of the Dakota formation?

A I would say, in my opinion, yes.

Q Heretofore, has Aztec drilled a well in the W/2 of 24 to the Mesa Verde?

A Yes. The well was known as the East No. 5.

Q Was it completed as a commercial producer?

A Yes.

Q Is it still producing gas from the Mesa Verde formation?

A It is, and the deliverability test of July of this year was 135 MCF per day.

Q What is the acreage that is dedicated to that well?

A The acreage dedicated to the East 5 is the E/2 of Section 24 with the exception of the NW of the NE/4 and the SE of the SW/4, comprising 40 acres that is dedicated to that well.

MR. PAYNE: Except the NW of the NE?

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A Yes. That 40 is out.

MR. PAYNE: It is the NW of the NW?

A That's right; I beg your pardon.

Q (By Mr. Verity) I hand you what the reporter has marked Exhibit No. 1. Will you tell us what it is, please?

A Exhibit No. 1 is a plat showing the W/2 of Section 24 and the E/2 of Section 23 with the East No. 5 well in the SW/4 of 24 and the Greenbrier No. 1 Hedges Well in 23 with the accompanying 40 acres crossing the section line which is dedicated to each well.

Q Do you know whether or not Greenbrier has a well in the E/2 of 25?

A Yes. That well is known as the Greenbrier Hedges No. 1.

Q Do you know the acreage that is dedicated to it?

A The acreage dedicated to the Hedges Well would be the E/2 of Section 23, with the exception of the SE SE/4.

Q And the 40 acres dedicated to that well in the W/2 of 24 would be the NW NW/4?

A That's right.

MR. VERITY: We offer in evidence Exhibit No. 2, which is Order No. R-230 in case No. 425, and Order No. R-230 (a) in the same case, which authorized Greenbrier to the non-standard unit that he has just delineated.

Q Mr. Salmon, I hand you Exhibit No. 4. Will you please tell us what it is?

A Exhibit No. 4 is a letter addressed to Mr. Quilman B.



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Davis, Vice President of Aztec Oil from Mr. W. B. Macy, Secretary-Director of the Commission, with reference to the Greenbrier unorthodox drilling unit which, when the drilling unit was created to Greenbrier by Order 230, obviously left an unorthodox unit to the east acreage. In view of that existing order, Aztec was granted an unorthodox unit for the East No. 5.

Q I would like to read a portion of this letter of authorization, if I may:

"When the above drilling unit was created by Order No. R-230 it obviously left an unorthodox drilling unit as an offset to the east, owned by Aztec Oil & Gas Company. In view of the existing order and the statements made at the hearing I do not believe it necessary for Aztec to have a hearing in order to obtain approval of their unorthodox unit.

"You are hereby authorized to drill a well in the SW/4 of Section 24, Township 31 North, Range 12 West, in conformance with the pool rules, the drilling unit to comprise the following described acreage: Township 31 North, Range 12 West, Section 23, SE/4, SE/4, Section 24; NE/4, NW/4, S/2, NW/4, SW/4. -- Very truly yours, W. B. Macy, Secretary-Director."

MR. VERITY: We offer Exhibit 4 in evidence.

Q The well you mentioned awhile ago, your Aztec East No. 5 was drilled in pursuance to that authorization to that dedicated acreage?

A That's correct.



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Q That is the same acreage you are asking here in a non-standard unit for a Dakota well, is it?

A Correct.

Q Do you plan to go into your East No. 5 and deepen it to the Dakota if you are granted authorization today?

A Yes.

Q Are you familiar with the lease ownership surrounding the acreage dedicated to the East No. 5?

A Yes, I am.

Q Who owns this acreage, starting first with the unorthodox unit authorized to Greenbrier Oil Company?

A To the west of the Greenbrier Well, Aztec Oil & Gas owns the W/2 of Section 23. We own Section 13 and 14 to the North, Section 25 and 26 to the South; also own the E/2 of Section 24 in which the unit is located.

Q Then, with the exception of the immediately adjacent non-standard unit of Greenbrier you own all of the acreage surrounding this location?

A Yes.

Q Do you know whether or not Greenbrier has made any objection, or assented to your non-standard?

A I understand Greenbrier has assented to the deepening of the well.

MR. VERITY: Mr. Payne, was there a letter filed with the application from Greenbrier?



MR. PAYNE: Yes, sir.

MR. VERITY: I wonder if we might introduce that in evidence and have it marked.

We offer in evidence Exhibit No. 5, which is a letter from Greenbrier signifying their consent to this unorthodox application. I believe that is all we have.

MR. NUTTER: Do you wish to offer your exhibits?

MR. VERITY: I would like to offer each one.

MR. NUTTER: Aztec's Exhibits 1 through 5 will be admitted in this case. Does anyone have any questions of Mr. Salmon?

BY MR. PAYNE:

Q On your Exhibit 1 you have a well listed as the East No. 1?

A Yes, I noticed that. That should be corrected to the East No. 5. Evidently that was a typographical mistake.

MR. NUTTER: You wish to amend this exhibit to indicate this is the East No. 5.

Q (By Mr. Payne) Has Aztec considered the possibility of forming a standard unit, W/2 of Section 24 and a standard unit consisting of the E/2 of Section 23?

A I am sure the Land Department has taken that into consideration, but, as the precedent was set on the No. 1 Hedges well and approval given for our unorthodox on the East 5, they went ahead and drilled the wells, and I would think at this time the paper work, changing of division orders and everything, would create

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too much difficulty.

Q If your application is granted in this case the entire E/2 of 23 and the entire E/2 of 24 will be dedicated to Dakota wells?

A The entire E/2 of 23, you say?

Q Yes -- Does Greenbrier have a non-standard unit for the Dakota?

A They do, yes.

Q All this acreage will be dedicated to the Dakota?

A Yes, that's correct.

Q In your opinion will the East No. 5 efficiently drain this 320 acres you propose to dedicate?

A I believe that it will, yes, sir.

MR. NUTTER: Any further questions of the witness? He may be excused. Do you have anything further, Mr. Verity?

MR. VERITY: That is all we have.

MR. NUTTER: Does anyone have anything they wish to offer in 220? Take the case under advisement and call 2201.

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, JUNE PAIGE, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 8th day of March, 1961.

June Paige
Notary Public - Court Reporter

My Commission expires:
May 11, 1964.

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E X H I B I T S

| <u>NUMBER</u> | <u>EXHIBIT</u> | <u>IDENTIFIED</u> | <u>OFFERED</u> | <u>ADMITTED</u> |
|---------------|----------------|-------------------|----------------|-----------------|
| Ex.#1 | Plat | 4 | 7 | 7 |
| Ex.#2 | Order 230 | 4 | 7 | 7 |
| Ex.#3 | Order 230 (a) | 4 | 7 | 7 |
| Ex.#4 | Letter | 4 | 7 | 7 |
| Ex.#5 | Letter | 7 | 7 | 7 |

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 2200
heard by me on 3/3, 1961.

[Signature], Examiner
New Mexico Oil Conservation Commission

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