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AZTEC OIL & GAS COMPANY

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920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

LAND DEPARTMENT

H. L. SNIDER, JR., MANAGER

KENNETH A. SWANSON, ATTORNEY

April 4, 1960

*NWU-345
(waiver)*

REGISTERED MAIL

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

Re: Application of Aztec Oil & Gas Company
for an Exception to Rule 6(A) of Order
No. R-565-C 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:

Pursuant to Rule 6(B) of the special rules pertaining to the Aztec Pictured-Cliffs Gas Pool of Order No. R-565-C, Aztec Oil & Gas Company (hereafter called "Applicant") hereby submits in triplicate its application for an exception to Rule 6(A) of such rules, and requests Administrative Approval of a Non-Standard Gas Proration Unit comprising all of Lots 1, 2, and E $\frac{1}{2}$ NW $\frac{1}{4}$, or what may be known as the NW $\frac{1}{4}$, Section 19, Township 28 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. It further requests that pursuant to Rule 9 of said special rules of Order R-565-C, as amended by Rule 9 of Order No. R-967, and upon approval of such Non-Standard Proration Unit, Applicant be granted an allowable for such well in the ratio which the area of the Non-Standard Proportion Unit bears to a Proration Unit of 160 acres; i.e. 141.72/160.

In support of this request for a Non-Standard Proration Unit, Applicant respectfully states and shows the following:

(1) The unorthodox size of the Proration Unit is due to a variation in legal subdivision of the United States Public Land Survey.

(2) The proposed Non-Standard Proration Unit is substantially in the form of a square and consists of contiguous quarter-quarter sections and/or lots.

(3) The Non-Standard Gas Proration Unit lies wholly within a single governmental section.

Mr. A. L. Porter

-2-

April 4, 1960

(4) The entire Non-Standard Gas Proration Unit may reasonably be presumed to be productive of gas.

(5) Applicant owns all of the acreage within the section on which is located the proposed Non-Standard Unit, as is indicated on Exhibit "A" attached hereto and by reference made a part hereof.

(6) Applicant is the only operator that owns acreage offsetting the Non-Standard Unit.

WHEREFOR, Aztec Oil & Gas Company respectfully requests that the Secretary-Director of the Commission, by Administrative Approval, grant an exception to Rule 6(A) of the Special Rules for the Aztec Pictured-Cliffs Gas Pool of Order No. R-565-C, as amended by Order No. R-967, without notice and hearing, approving the Non-Standard Gas Proration Unit set forth above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

Mr. A. L. Porter

-3-

April 4, 1960

STATE OF TEXAS)
)
COUNTY OF DALLAS)

Kenneth A. Swanson, being first duly sworn, hereby states that he is the 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.

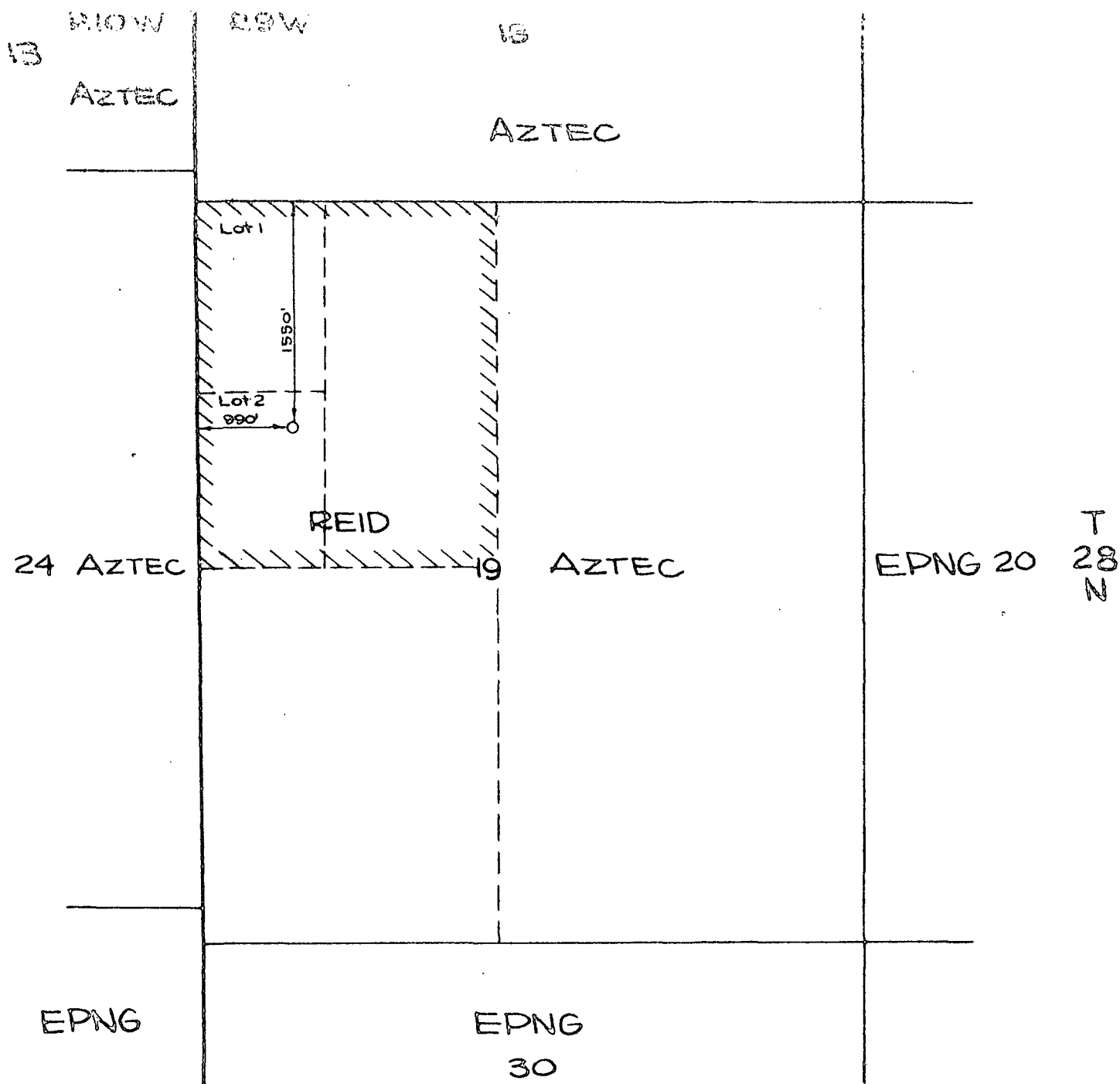
Kenneth A. Swanson
Kenneth A. Swanson

Sworn to and subscribed before me, the undersigned authority, on this 4th day of April, 1960.

Etchelda L. Felt
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1961



Scale 1" = 1000'

PLAT

Accompanying Application for 141.72
Acres Non-Standard Unit in Aztec
Pictured Cliffs Pool for Aztec Oil
& Gas Company's Reid #17.

AZTEC OIL & GAS COMPANY