

**Elliott, Inc.**

Box 1355 - Phone MAin 2-5840

Roswell, New Mexico

April 18, 1961

W. E. Elliott  
President

Edna M. Elliott  
Sec'y-Treas.

Mr. A. L. Porter  
New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Application of Aztec Oil &  
Gas Company dated April 11,  
1961, for an Exception to Rule  
2 of Order R-1882 Approving  
Non-Standard Proration Units  
in the Totah-Gallup Oil Pool,  
San Juan County, New Mexico.

Dear Mr. Porter:

Please be advised that Elliott, Inc. as an off-set owner  
has no objection to the application of Aztec Oil & Gas  
Company as above referenced and hereby waives any right  
of objection.

Yours very truly,

ELLIOTT, INC.

By 

Vice President

FOE/nc

MAIN OFFICE OCC HUMBLE OIL & REFINING COMPANY  
CENTRAL REGION  
~~XXXXXXXXXXXXXXXXXXXX~~

RAYMOND D. SLOAN  
AREA MANAGER AM 6 20  
RICHARD S. HICKLIN  
AREA EXPLORATION MANAGER  
ROGER S. FRAZIER  
AREA PRODUCTION MANAGER

April 20, 1961

DENVER AREA  
~~WESTERN AREA~~  
POST OFFICE BOX 120  
DENVER 1, COLORADO

Mr. A. L. Porter  
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 2 of Order  
R-1882 Approving Non-Standard Proration  
Units in the Totah-Gallup Oil Pool  
San Juan County, New Mexico

Dear Mr. Porter:

This Company, as an offsetting operator, hereby waives notice and hearing of the application of the Aztec Oil & Gas Company, dated April 11, 1961, for an exception to Rule 2 of Order R-1882 and for the approval of the non-standard proration unit listed below:

Township 29 North, Range 13 West, N.M.P.M.

Section 19: Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$   
(containing 86.12 acres, more or less)

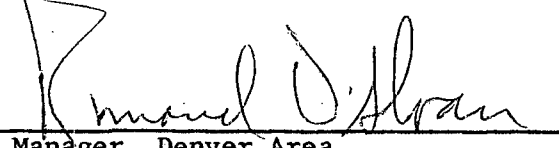
This Company hereby consents to the approval of their said application.

Very truly yours,

HUMBLE OIL & REFINING COMPANY

RDS:WSL:sm

By:

  
Manager, Denver Area  
Central Region

cc: Mr. Kenneth A. Swanson  
Aztec Oil & Gas Company

O. K. as to transaction	RF/LAK
O. K. as to form	WSL

# PAN AMERICAN PETROLEUM CORPORATION

1961 OFFICE OCC

OIL AND GAS BUILDING

1961 MAY 5  
ALEX CLARKE, JR.  
DIVISION ENGINEER

AM 6:13

FORT WORTH, TEXAS

May 3, 1961

File: GWK-179-986.510.1

Subject: Aztec Oil & Gas Company's  
Non-Standard Proration Units  
Totah Gallup Oil Pool  
San Juan County, New Mexico

NWU-403.  
place in  
file

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

Dear Sir:

This is to advise that the undersigned, being an authorized representative of Pan American Petroleum Corporation an offset operator, has been duly informed of Aztec Oil & Gas Company's request for eight non-standard proration units in the Totah Gallup Field, which are listed below, and hereby waives objection to the formation of these non-standard units.

T-29-N, R-13-W, N.M.P.M., San Juan County, New Mexico

Section 18: Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$   
(containing 84.99 acres, more or less)  
Section 18: Lot 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$   
(containing 85.16 acres, more or less)  
Section 18: Lot 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$   
(containing 85.34 acres, more or less)  
Section 18: Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$   
(containing 85.52 acres, more or less)  
Section 19: Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$   
(containing 85.68 acres, more or less)  
Section 19: Lot 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$   
(containing 85.82 acres, more or less)  
Section 19: Lot 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$   
(containing 85.98 acres, more or less)  
Section 19: Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$   
(containing 86.12 acres, more or less)

Yours very truly,

Alex Clarke Jr  
gcm

CRM:rr

# AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS APR 17 PM 1 07

April 11, 1961

*Handwritten:* NWU -403  
ASP -555

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

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 2 of Order  
R-1882 Approving Non-Standard Proration  
Units in the Totah-Gallup Oil Pool,  
San Juan County, New Mexico

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its Application, in triplicate, for an exception to Rule 2 of Order R-1882 and approval of the non-standard proration unit listed below:

T-29-N, R-13-W, N.M.P.M., San Juan County, New Mexico

Section 18: Lot 1, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$

(containing 84.99 acres, more or less)

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

1. Applicant, as lessee under various oil and gas leases, owns the rights to drill to and produce oil and gas from the Gallup formation underlying all of Sections 18 and 19, T-29-N, R-13-W, N.M.P.M., with the exception of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 19, which is operated by Texaco, Inc. Both of these sections, because of variance in the United States Public Lands Survey, contain less than the customary 640 acres. The Cadastral Survey shows that Section 18 contains 501 acres, and Section 19 contains 503.6 acres. This discrepancy has been adjusted by designating four lots along the west line of both sections, each containing approximately five acres. In each section the remaining quarter-quarter sections, comprising the E $\frac{1}{2}$ W $\frac{1}{2}$  and E $\frac{1}{2}$ , contain the customary 40 acres.

In an effort to develop production from the Gallup formation under Sections 18 and 19 in a manner consistent with previous drilling in the Totah-Gallup Oil Pool, varying as little as possible from the normal 80-acre proration unit and providing a spacing pattern which will efficiently and realistically drain such units, Applicant proposes to designate proration units comprised of the  $E\frac{1}{2}$  of the  $NE\frac{1}{4}$  and  $E\frac{1}{2}$  of the  $SE\frac{1}{4}$  of each section. A tier of proration units having their longitudinal axis oriented east and west consisting of two normal quarter-quarter sections and the adjoining Lot will constitute the basis for reasonable acreage allocation to the wells necessary for completing the development of each section. This Application, along with the seven other applications filed concurrently herewith, request approval of the non-standard proration units constituting such tier.

2. Rule 4 of Order R-1882 provides authority for the Secretary-Director to grant approval of non-standard proration units "...without notice and hearing where an Application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey..."

Applicant therefore respectfully requests that this Application be promptly considered, that approval be administratively granted pursuant to Rule 4 of Order R-1882 for the non-standard proration unit above described and that an allowable be designated therefor as prescribed by Rule 6 of Order R-1882.

In the alternative, should administrative approval, as above requested, not be granted, Applicant respectfully further states and shows the following:

3. Exhibit "A", attached hereto and made a part hereof, is a plat of Sections 18 and 19 showing the proposed non-standard proration units, the operator, other than Applicant, within Section 19 and the offsetting operators, all of whom have been furnished copies of this Application and have been requested to waive notice and hearing by consenting in writing to the approval thereof.

4. The entire non-standard unit described above may be presumed to be productive of oil from said pool.

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

Mr. A. L. Porter

-3-

April 11, 1961

that an allowable be designated therefor as prescribed by Rule 6 of Order R-1882.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson  
Kenneth A. Swanson  
Attorney

KAS/et

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

April 11, 1961

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Sunray-Midcontinent  
229 Truman, N. E.  
Box 8085  
Albuquerque, New Mexico

Re: Application of Aztec Oil & Gas Company  
for an Exception to Rule 2 of Order  
R-1882 Approving Non-Standard Proration  
Units in the Totah-Gallup Oil Pool,  
San Juan County, New Mexico

Gentlemen:

Enclosed for your information and approval is one copy of  
Aztec's captioned application to the New Mexico Oil Conservation  
Commission.

In order to expedite approval of this application, we would  
appreciate your forwarding your consent in the form of a waiver  
directly to the New Mexico Oil Conservation Commission, furnishing  
us a copy of such approval.

Yours very truly,

KAS/et  
Enclosure

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

April 11, 1961

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Rodney P. Calvin  
Oil Petroleum Center Bldg.  
Farmington, New Mexico

Re: Application of Aztec Oil & Gas Company  
for an Exception to Rule 2 of Order  
R-1882 Approving a Non-Standard Proration  
Unit in the Totah-Gallup Oil Pool,  
San Juan County, New Mexico

Dear Mr. Calvin:

Enclosed for your information and approval is one copy of  
Aztec's captioned application to the New Mexico Oil Conservation  
Commission.

In order to expedite approval of this application, we would  
appreciate your forwarding your consent in the form of a waiver  
directly to the New Mexico Oil Conservation Commission, furnishing  
us a copy of such approval.

Yours very truly,

KAS/et  
Enclosure

cc: New Mexico Oil Conservation Commission

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

April 11, 1961

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Pan American Petroleum Corp.  
Oil & Gas Building  
Fort Worth, Texas

Re: Application of Aztec Oil & Gas Company  
for an Exception to Rule 2 of Order  
R-1882 Approving Non-Standard Proration  
Units in the Totah-Gallup Oil Pool,  
San Juan County, New Mexico

Gentlemen:

Enclosed for your information and approval are eight copies  
of applications referring to the captioned.

In order to expedite approval of these applications, we would  
appreciate your forwarding your consent in the form of a waiver  
for each of these applications to the New Mexico Oil Conservation  
Commission, furnishing us a copy of each.

Yours very truly,

KAS/et  
Enclosures (8)

cc: New Mexico Oil Conservation Commission

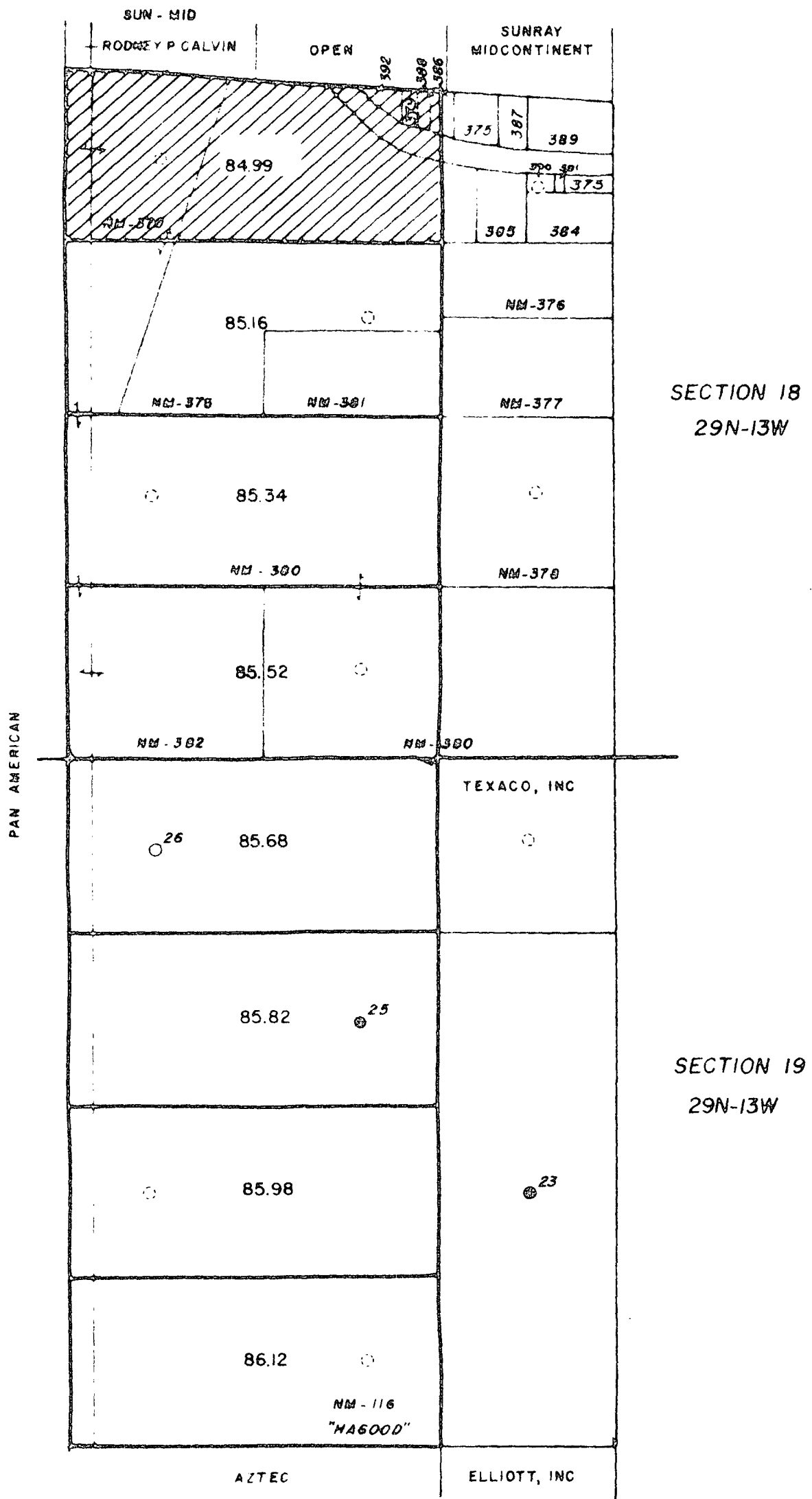


EXHIBIT A