

PRENTICE WATTS
VICE PRESIDENT
PRODUCTION

AZTEC OIL & GAS COMPANY
2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

January 13, 1971

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JAN 15 1971

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Aztec Oil & Gas Company
Application to Commingle
San Andres Oil Production
State "DS" and State "SS"
Leases

Gentlemen:

Enclosed are three copies of a letter of approval of subject application from the State of New Mexico Commissioner of Public Lands as required by Rule 309 (A).

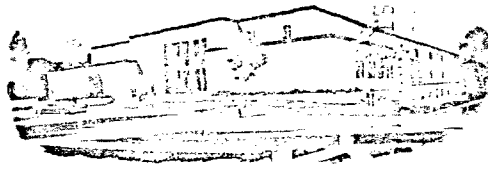
Very truly yours,

L. D. Eaton
L. D. Eaton

LDE:bjr

Encis.

State of New Mexico



Commissioner of Public Lands

January 12, 1971

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Aztec Oil & Gas Company
2000 First National Bank Building
Dallas, Texas 75202

Re: Aztec Oil & Gas Company
Application to Commingle
San Andres Production
State Lease Nos. L-199 &
L-200

ATTENTION: Mr. L. D. Eaton

Gentlemen:

This is to inform you that approval is hereby granted to commingle San Andres oil production from the State "SS" (L-199) and State "DS" (L-200) leases located in Section 24, Township 17 South, Range 36 East, Spencer, San Andres Pool, Lea County, New Mexico.

This approval is subject to the approval by the New Mexico Oil Conservation Commission. Also, this is granted with the understanding that the Commissioner of Public Lands reserves the right to withdraw this approval, if at any time he feels this operation is not to the best interest of the State.

Please remit a ten (\$10.00) Dollar filing fee.

Sincerely yours,

Gordon G. Marcum, II
GORDON G. MARCUM, II, Director
Oil and Gas Department

AJA/GGM/s

cc: Mr. Dan Nutter
Oil Conservation Commission
Santa Fe, New Mexico

Oil and Gas Accounting Commission
Santa Fe, New Mexico

PRENTICE WATTS
VICE PRESIDENT
PRODUCTION

AZTEC OIL & GAS COMPANY
2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

January 8, 1971

11 09 27
JAN 11 1971

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Aztec Oil & Gas Company
Application to Commingle
San Andres Oil Production
State "DS" and State "S"
Leases

Gentlemen:

Aztec Oil & Gas Company respectfully requests an exception to Rule 309 (A) and administrative approval to commingle San Andres oil production from the State "SS" and State "DS" leases located in Section 24, Township 17 South, Range 36 East, Spencer, San Andres Pool, Lea County, New Mexico.

None of the wells on these leases is capable of producing top allowable. A Special Gas Oil Ratio Test is submitted herewith as evidence of the marginal status of the only producing well on the State "SS" lease. We propose to allocate production between leases on the basis of periodic well tests on this well and use the subtraction method from total production.

The following facts are pertinent to this request:

- (1) Aztec Oil & Gas Company is owner and operator of the above leases in which all working and royalty interests are common.
- (2) Both leases, State of New Mexico Lease Nos. L-199 and L-200, involve State land, therefore, evidence that the Commissioner of Public Lands has been advised of this request for commingling is attached to this application.
- (3) A schematic diagram of the proposed installation is attached.

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- (4) A plat showing the location of all wells on the leases involved is attached.
- (5) Since the production to be commingled is from a common source there will be no difference in gravity and price; therefore, value of production from the two leases will not change.

Your approval of this application will be greatly appreciated.

Very truly yours,

AZTEC OIL & GAS COMPANY


L. D. Eaton

LDE:bjr

Attachments

cc: State Land Office w/attachments
L. L. Duke w/attachments

AZTEC OIL & GAS COMPANY

2000 FIRST NATIONAL BANK BUILDING

DALLAS, TEXAS 75202

PRENTICE WATTS
VICE PRESIDENT
PRODUCTION

January 8, 1971

State Land Office
Post Office Box 1148
Santa Fe, New Mexico

Attention: Mr. Alex Armijo
Commissioner of Public Lands

Re: Aztec Oil & Gas Company
Application to Commingle
San Andres Production
State Lease Nos. L-199 &
L-200

Gentlemen:

Pursuant to Rule 309 (B), Aztec Oil & Gas Company respectfully requests your approval of the attached application to commingle San Andres oil production from the State "SS" (L-199) and State "DS" (L-200) leases location in Section 24, Township 17 South, Range 36 East, Spencer, San Andres Pool, Lea County, New Mexico.

If you are in agreement with this application, we would appreciate your advising this office at your earliest convenience.

Very truly yours,

L. D. Eaton
L. D. Eaton

LDE:bjr

Attachment

cc: New Mexico Oil Conservation Commission
Santa Fe, New Mexico

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator Aztec Oil & Gas Company		Pool Spencer, San Andres		County Lea											
Address Box 837, Hobbs, New Mexico 88240		TYPE OF TEST - (X) <input checked="" type="checkbox"/> TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BB	
		U	S	T							R	WATER BBLs.	GRAV. OIL BBLs.		GAS M.C.F.
State "SS"	2	G	24	17	36	12/11/70	P		70	24	162	36	17	TSTM	-

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

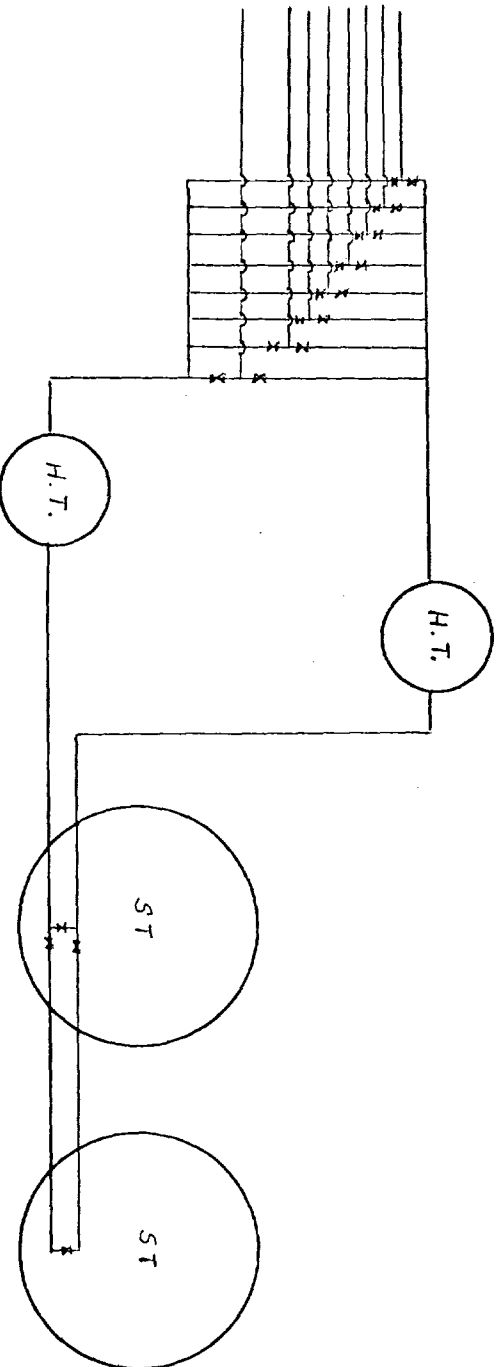
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

[Signature]
(Signature)

Staff Engineer

(Title)
January 8, 1971

(Date)



Aztec Oil & Gas Company

Proposed Commingling Facilities

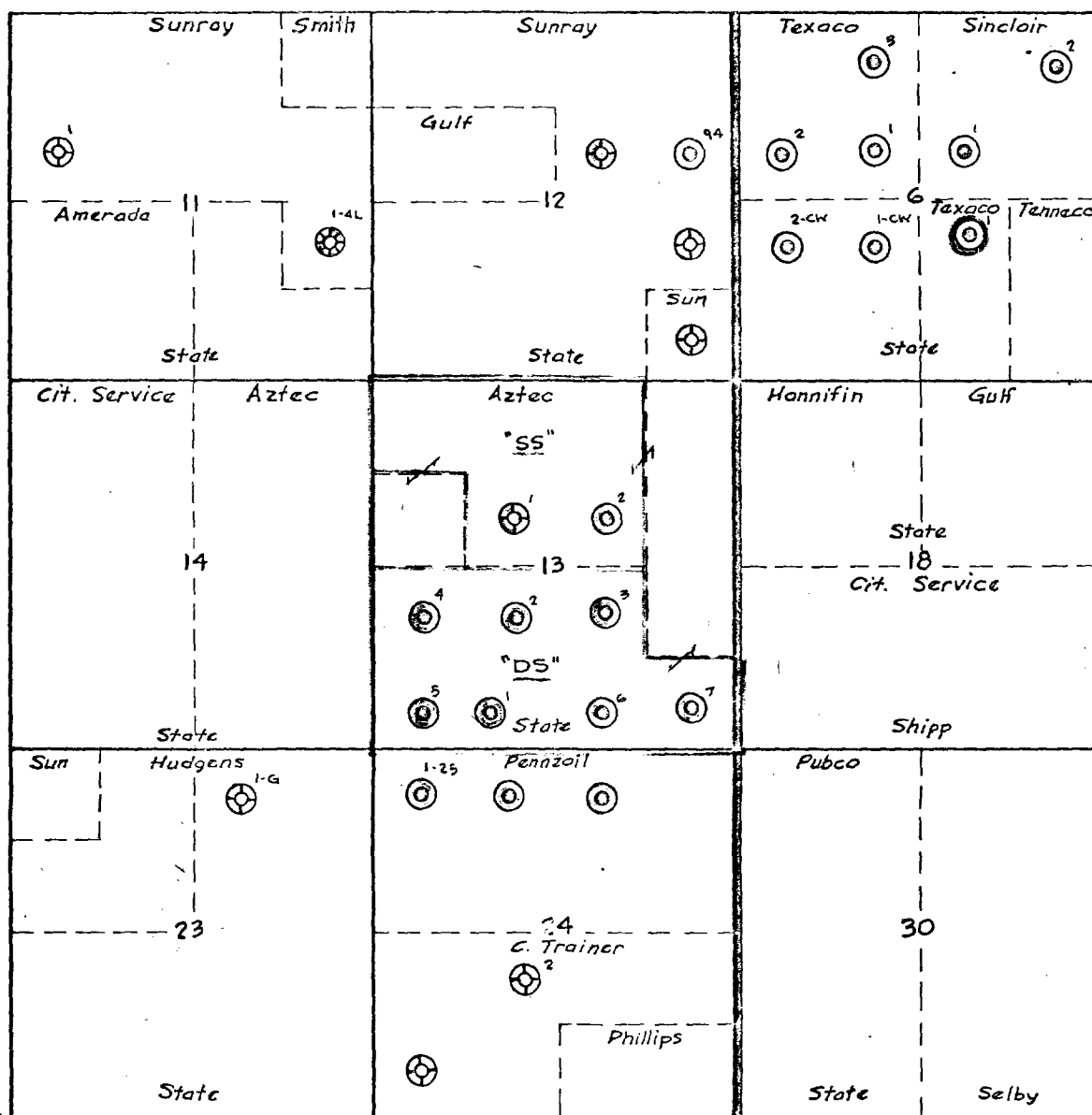
State "DS" & State "SS" Lse.

Sec. 24, T-17-S, R-36-E.

Lea County, New Mexico

R - 36 - E

R - 37 - E

T
17
S

- Queen sd. well
- San Andres well
- Abo. well
- Penn. well
- Dev. well

SPENCER - SAN ANDRES POOL
LEA COUNTY, NEW MEXICO