

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

August 12, 1959

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REGISTERED MAIL
RETURNED RECEIPT REQUESTED

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application for Exception to
Rule 309 (a) to Commingle Oil
from Two Separate Leases in
Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is Aztec's application requesting that an Examiner Hearing be set the first part of September, 1959, to consider granting an exception to Rule 309 (a) in order that Aztec may commingle oil produced from two separate leases into a central tank battery, which leases are located in Lea County, New Mexico.

Very truly yours,

AZTEC OIL & GAS COMPANY



Gordon L. Llewellyn
Attorney

GLL/jld
Enc.

cc: Lester Duke

*Docket
Marked
8-19-59
JL*

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS
August 12, 1959

REGISTERED MAIL
RETURNED RECEIPT REQUESTED

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New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company
for an Examiner Hearing Before the Oil
Conservation Commission of New Mexico
for the Granting of an Exception to
Rule 309 (a) for Approval of the Com-
mingling of Oil Into Common Tankage
Produced from Separate Leases in Lea
County, New Mexico

Gentlemen:

Aztec Oil & Gas Company, hereinafter referred to as "Applicant", hereby submits in triplicate its application for an exception to Rule 309 (a) for approval of commingling into common tankage all oil produced from two separate leases in portions of Sections 30 and 31, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, Applicant respectfully states and shows the following:

I.

Applicant proposes to commingle oil produced from the Robinson Pool into a common tank battery which oil will be produced from its State of New Mexico Oil and Gas Lease E-8233 and its United States Oil and Gas Lease NM-016804.

II.

United States Oil and Gas Lease NM-016804 covers Lots 1 and 2 ($\frac{1}{2}$ NW $\frac{1}{4}$), and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 31; State of New Mexico Oil and Gas Lease E-8233 covers, among other lands not the subject of the application, SE $\frac{1}{4}$ Section 30, E $\frac{1}{2}$ SW $\frac{1}{4}$, and Lot 4 (SW $\frac{1}{4}$ SW $\frac{1}{4}$) Section 31, both leases being in Township 16 South, Range 32 East, Lea County, New Mexico. A plat, showing the acreage covered by this application, the offset lease owners, and Applicant's proposed wells and the tank battery location is attached hereto as Exhibit "A" and by reference made a part hereof.

III.

Aztec's Federal "R" #1 Well, which has been completed as a producer, is located on the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 31, and its Federal "R" #2 Well, which is presently being completed, is located on the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 31,

August 12, 1959

Township 16 North, Range 32 East, N.M.P.M. Applicant's State "R" #1 Well will be located on the NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 31, Township 16 South, Range 32 East, and the central tank battery is now located adjacent to the Federal "R" #1 Well.

IV.

All of the products to be commingled in the central tank battery will be produced from the Robinson Pool of the San Andres Formation.

V.

Applicant proposes to measure production from the separate leases through dump-type metering devices prior to commingling the oil in the central tank battery. Applicant proposes to make periodic accuracy checks of the metering devices, and if required to do so will make such accuracy checks once a month and file with the New Mexico Oil Conservation Commission a "Meter Test Report".

VI.

So far as Applicant has been able to determine, all of the offset leasehold and mineral rights owners, including the United States Geological Survey and the State Land Office of the State of New Mexico, have been furnished copies of this application together with a request that they consent to the proposed commingling of oil into a central tank battery.

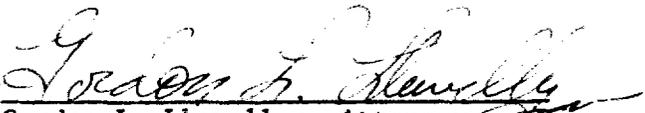
VII.

At the present time, there is no market for the Casinghead Gas produced with the oil from the subject wells and it is being flared, except for that portion utilized for lease operations; therefore, no action has been taken to separately measure gas production from the subject leases. At such time as a market is available, Applicant will establish appropriate methods of separately metering such gas production.

WHEREFORE, Aztec Oil & Gas Company respectfully requests that an Examiner Hearing at Santa Fe, New Mexico, be set as soon as possible in September, 1959, to consider the above exception to Rule 309 (a).

Yours very truly,

AZTEC OIL & GAS COMPANY

By 
Gordon L. Llewellyn, Attorney

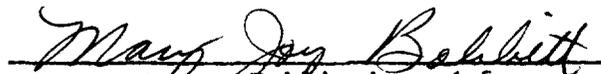
STATE OF TEXAS)

COUNTY OF DALLAS)

Gordon L. Llewellyn, being first duly sworn, hereby states that he is 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.


Gordon L. Llewellyn

Sworn to and subscribed before me the undersigned authority this 12th day of August, 1959.


Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1961