

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

*tests compl
DEC 8 58
error caught
Aug 59*

IN RE: APPLICATION OF PETRO-ATLAS, INC.,
FOR AN ORDER CANCELLING OVER-PRODUCTION
ON ITS AZTEC NO. ONE (1) WELL LOCATED
IN THE APPROXIMATE CENTER OF THE SOUTH-
EAST QUARTER OF THE NORTHWEST QUARTER
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) OF SECTION EIGHT (8), TOWN-
SHIP TWENTY-SEVEN (27) NORTH, RANGE
NINE (9) WEST, IN SAN JUAN COUNTY, NEW
MEXICO.

CASE NO.

1893

compl 8-14-58

A P P L I C A T I O N

Comes now the applicant, Petro-Atlas, Inc., and states:

1. That it is the owner and operator of the Petro-Atlas Aztec No. 1 well located in the approximate center of the Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section Eight (8), Township Twenty-seven (27) North, Range Nine (9) West in San Juan County, New Mexico.

2. That such well was completed as a commercial gas well on the 14th day of August, 1958 and that on the 21st day of August, 1958 a production test was taken on the well and as a result thereof Form C-122 was filed with the Oil Conservation Commission; that prior to the promulgation of Order No. R-333 C & D such test and report on Form C-122 was correct and that applicant was under the impression that it took the correct test and made the correct report, but that Order R-333-C&D above referred to amended the rules for the pool and established a different deliverability test and a report thereof on Form C-122A.

3. That subsequent to the completion of the above referred to well and in November, 1958 the above described well was connected to El Paso Natural Gas Company's pipe line and thereupon started producing gas; that during the initial production of this well all of the information was obtained as required for filing the prescribed Form C-122A, referred to above, and such form was

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Milled
28-60*

filed by the applicant from such information on September 11, 1959.

4. That the production taken from the above described well from its initial production in November, 1958 until September, 1959 was a proper amount of production and would have been within the allowable set for said well had Form C-122A been filed at the prescribed time; that the failing to file such form was an inadvertence which arose due to reorganization of the company and changes from previous operation of the property wherein the pipe line company had filed the report form; that the purported over-production which the Commission records show against this well during such period is due to such inadvertence and that the Commission should grant the applicant relief by allowing the time of filing the Form C-122A to relate back to the time of initial production, being the time that the information reflected by such report was obtained, and thereby cancelling the over-production charged against such well.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given as required by the laws of the State of New Mexico and the Rules of this Commission, and that the Commission, from the evidence to be adduced at such hearing, enter an order permitting the filing date of such report Form C-122A regarding the captioned well to relate back prior to first production, and that all over-production charged against such well be cancelled.

PETRO-ATLAS, INC., Applicant

By

[Signature]
Geo. L. Veity
152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR APPLICANT

*had forms been filed
allowable.
would have been
33,724 MCF
actually produced
45,705 MCF
Not seeking cancellation
of all overproduction
only 33,724*

*Amount
\$2,141.00
at 1/1/59
55,000*