

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

*Case
1965*

LAND DEPARTMENT
H. L. SNIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

April 18, 1960

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 Section 1(C) of
Order R-110 as amended by Order R-397,
for approval of an unorthodox drilling
location in the Blanco Mesaverde Gas
Pool.

Dear Mr. Porter:

Pursuant to Section 13 of Order R-110, Aztec Oil & Gas Company hereby submits its application in triplicate for an exception to the well location regulations set forth in Section 1(C) of Order No. R-110, as amended by Order R-397, and requests approval of an unorthodox drilling location in the Southeast quarter ($SE\frac{1}{4}$) of Section 28, Township 31 North, Range 12 West, N.M.P.M., San Juan County, New Mexico.

In support of this application, applicant respectfully states and shows the following:

1. The proposed unorthodox drilling location will be staked at a proper location from the outer boundary of the Southeast quarter ($SE\frac{1}{4}$) of Section 28. This unorthodox location, rather than the prescribed Northeast ($NE\frac{1}{4}$) or Southwest ($SW\frac{1}{4}$) quarter sections, is requested in order to conform to existing well spacing and to provide for proper and efficient drainage of the Section. Wells surrounding the location have been drilled on a Northwest (NW) - Southeast (SE) pattern; the area having been developed prior to the promulgation of the field rules now applicable. It is the intention of Aztec Oil & Gas Company to dedicate the East half of Section 28 as the drilling unit for the proposed well; therefore, in order to have the

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well spacing consistent and to provide for proper drainage of the Section, permission for this non-standard location in the Southeast quarter section ($SE\frac{1}{4}$) is requested.

2. Applicant intends to drill a well on the unorthodox drilling location, if approved, to be known as the Thompson #6 well.

3. Applicant plans to dually complete the proposed well as a gas well producing from the Mesaverde and Dakota formations and such well will be within the defined limits of the Blanco Mesaverde Gas Pool and in an undesignated Dakota Area.

4. Applicant owns all the acreage within the section on which the proposed non-standard location will fall, and is the only operator owning offsetting acreage, as indicated on Exhibit "A" attached hereto and made a part hereof.

WHEREFOR, pursuant to Statewide Rule 1203, Applicant respectfully requests that a hearing be set before an Examiner as soon as possible at Santa Fe, New Mexico, to consider the request for approval of the unorthodox location.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney