

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

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

July 13, 1961

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 Administrative Approval for an
Exception to Rules 2 and 3 of Order R-1800
Approving an Unorthodox Well Location and
a Non-Standard Proration Unit for the Aztec
Hagood No. 29-G Well in the Cha Cha-Gallup
Oil Pool, San Juan County, New Mexico

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its application, in triplicate, for administrative approval of an exception to Rules 2 and 3 of Order R-1800 with respect to the drilling of its Hagood No. 29-G well.

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

1. The proposed unorthodox drilling location has been staked four hundred and fifty feet (450') from the South line and three thousand six hundred feet (3600') from the East line of Section 30, T-29-N, R-13-W, San Juan County, New Mexico, and its unorthodox location is necessitated by topographical conditions.
2. Elliot, Inc. is the only other operator in the section in which the well has been located and offsetting operators are Humble Oil & Refining Company and Tenneco Oil Company.
3. The non-standard proration unit to be assigned to the well is as follows:

T-29-N, R-13-W, N.M.P.M., San Juan County, New Mexico
Section 30: Lot 4, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
(containing 86.02 acres, more or less)

Order 2372

*NSC
and
NWU*

*wait
copy to G&C
office*

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4. As outlined in its application approved by Administrative Order NWV 403-410, relating to non-standard proration units located in Sections 18 and 19, T-29-N, R-13-W, N.M.P.M., and its application designated Case No. 2325, approved by Administrative Order NWU-423 relating to acreage in Section 30, T-29-N, R-13-W, N.M.P.M., Applicant has been designating non-standard proration units for Gallup wells located along the West side of Sections 18, 19 and 30, T-29-N, R-13-W, N.M.P.M., consisting of two contiguous quarter-quarter sections and the adjoining lot of five or six acres in order to vary as little as possible from the existing spacing pattern. This Application is for a similar non-standard proration unit.
5. Rule 4 of Order R-1800 provides authority for the Secretary-Director to grant approval administratively of such non-standard proration units.

Applicant, therefore, respectfully requests that this Application be promptly considered, that approval be administratively granted pursuant to Rule 104(f) and Rule 4 of Order R-1800 for the unorthodox well location and non-standard proration unit described above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

Copies of this Application and the Plat attached as Exhibit "A" have been mailed by Certified mail to the following parties:

Elliot, Inc.
P. O. Box 1355
Roswell, New Mexico

Humble Oil & Refining Company
P. O. Box 3082
Durango, Colorado

Tenneco Oil Company
P. O. Box 1714
Durango, Colorado