

Case 2372

# HUMBLE OIL & REFINING COMPANY

CENTRAL REGION

POST OFFICE BOX 120 - DENVER 1, COLORADO

DENVER AREA

JOHN D. KNODELL, JR.  
AREA ATTORNEY

August 9, 1961

Mr. A. L. Porter  
Secretary-Director  
New Mexico Oil Conservation Commission  
Post Office Box 871  
Sante Fe, New Mexico

Re: Application of Aztec Oil & Gas Company for  
Administrative Approval for a Non-Standard  
Proration Unit in the Cha Cha-Gallup Oil Pool,  
San Juan County, New Mexico

Dear Mr. Porter:

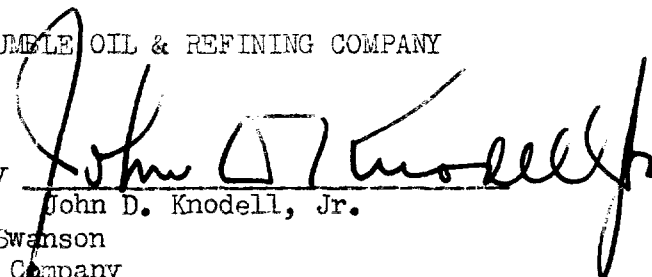
By letter dated July 13, 1961, Aztec Oil & Gas Company requested approval for an exception to Rules 2 and 3 of Order Number R-1800 entered in Case Number 2069 for approval of an unauthorized well location and a non-standard proration unit for the Aztec Hagood Well Number 29-G in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. According to Rule 2 of Order Number R-1800, the allocation unit must consist of two contiguous quarter-quarter sections of a single governmental quarter section. Aztec Oil & Gas Company requests an allocation unit consisting of the SE $\frac{1}{4}$  of the SW $\frac{1}{4}$  and the SW $\frac{1}{4}$  of the SE $\frac{1}{4}$ , Sec. 30, T 29N, R 13W.

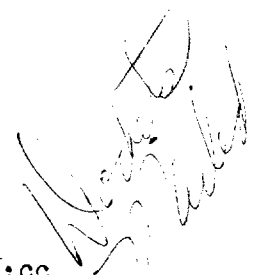
This exception, if granted, and other exceptions which will normally result if this exception is granted, will result in the drilling of unnecessary wells along the east line of Humble's Navajo L Lease. Humble will be required to drill unnecessary wells in order to protect its own correlative rights and the correlative rights of its royalty owners and to prevent drainage of oil from Humble's Navajo L Lease. Such drilling of unnecessary wells will result in well density greater than that necessary to effectively drain the reservoir and will constitute waste as defined in the Oil and Gas Conservation Act.

Humble, therefore, requests that the proration unit for the Aztec well described above be established as the southwest fractional quarter of Section 30, T 29N, R 13W, consisting of 92 acres, more or less. Please enter Humble Oil & Refining Company's objection to the application described above of Aztec Oil & Gas Company.

Very truly yours,

HUMBLE OIL & REFINING COMPANY

By   
John D. Knodell, Jr.

  
JDK:cc  
c.c. Mr. Howard C. Bratton  
Hervey, Dow & Hinkle  
Box 10  
Roswell, New Mexico

Mr. Kenneth A. Swanson  
Aztec Oil & Gas Company  
920 Mercantile Securities Building  
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