

Case No.

762

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO
Hobbs, New Mexico
October 20, 1954.

IN THE MATTER OF:

CASE NO. 762 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
October 20, 1954

IN THE MATTER OF:

The application of Aztec Oil and Gas Company, et al. for approval of an unorthodox gas proration unit.

Applicant, in the above-styled cause, seeks approval of an unorthodox gas proration unit consisting of 320 acres embracing the south half of Section 35, Township 20 South, Range 37 East, Lea County, New Mexico, in the Eumont Gas Pool, in exception to Rule 5 of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520.

Case No. 762

BEFORE:

Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey


TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 762. Mr. Davis here? I am sorry, Mr. Davis informed me that Case 762, as applicant, they had received waivers from every one involved in the case, and were going to obtain approval of the unit administratively, rather than have a formal hearing. He asked me to dismiss the case. Is there objection at all to the dismissal of Case 762? If not we will dismiss the case.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Hobbs, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 2nd day of November, 1954.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 23, 1954

Mr. Quilman Davis
Astec Oil & Gas Company
920 Mercantile Securities Building
DALLAS 1 - TEXAS

Dear Sir:

We enclose copy of the dismissal order (R-543) issued in
Case 762, which was scheduled on the October 20 docket
upon your application.

Very truly yours,

W. B. Macey
Secretary - Director

WEM:mr

C
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P
Y

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 762
Order No. R-543

THE APPLICATION OF AZTEC OIL
& GAS COMPANY FOR APPROVAL OF
AN UNORTHODOX GAS PRORATION UNIT
CONSISTING OF 320 ACRES EMBRACING
S/2 SECTION 35, TOWNSHIP 20 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO, IN THE EUMONT GAS POOL.

ORDER OF DISMISSAL

BY THE COMMISSION:

It appearing to the Commission that proper request has
been made by the applicant, Aztec Oil and Gas Company, moving
that the above-styled case be dismissed without prejudice,

IT IS THEREFORE ORDERED:

That the application of Aztec Oil and Gas Company for
unorthodox gas proration unit in the Eumont Gas Pool covering S/2
Section 35, Township 20 South, Range 37 East, NMPM, Lea County,
New Mexico, be dismissed without prejudice.

DONE at Santa Fe, New Mexico, on this ²⁶17 day of November,
1954.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Secretary and Member



QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

October 8, 1954

AIR MAIL

Mr. Dusty Rhodes
Oil Conservation Commission
Santa Fe, New Mexico

Dear Dusty:

At long last I have completed an application for an unorthodox gas proration unit covering the S $\frac{1}{2}$ of Section 35, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, such lands being located within the limits of the Eumont Gas Pool

I just received a telephone call from Bob Enfield advising that Gulf Oil Corporation and Cities Service had signed waivers. I am hopeful that Continental and John Kelly will also sign within the next day or so, thereby eliminating the formal hearing.

My apologies for the delay in sending this application to you.

With best personal regards, I am

Yours very truly,

Quilman

QBD:NL
Enc.

See N & P-29
OCT 26 1954

MAIN OFFICE CCC

OCT 11 AM 8:40

Case 762

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AZTEC OIL & GAS COMPANY FOR
APPROVAL OF AN UNORTHODOX GAS PRO-
RATION UNIT IN THE EUMONT POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 762

APPLICATION

The undersigned Applicant, Aztec Oil & Gas Company, for itself and on behalf of Stanolind Oil and Gas Company, Makin Oil Company, A & M Oil Company, and Morris R. Antweil, respectfully petitions the Commission for the issuance of an order approving an unorthodox gas proration unit in the Eumont Gas Pool comprising the $S\frac{1}{2}$ of Section 35, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit A, and containing 320 acres, more or less.

In support of this application, Applicant alleges and states:

1. That Applicant and Stanolind Oil and Gas Company have heretofore drilled, in accordance with rules and regulations in effect at the time drilling operations were commenced, their State Unit "E" 1 Well located 990 feet from the West line and 990 feet from the South line of Section 35, Township 20 South, Range 37 East, said well being completed on April 1, 1954, as a commercial well productive of natural gas from the Queens sand.
2. That Applicant and the parties named above own all of the leasehold interest within the $S\frac{1}{2}$ of said Section 35, and said parties have agreed to pool and communitize their respective leasehold interests to form the gas proration unit herein requested.
3. That in the opinion of Applicant the entire proposed unorthodox gas proration unit may reasonably be presumed to be productive of gas.
4. That the drilling of an additional well on the unit would be contrary to good operating practices in the oil and gas industry and uneconomical.
5. That unless a gas proration unit of 320 acres, as requested herein, be permitted, Applicant and the parties named above will be deprived of the opportunity to recover their just share of gas from the reservoir.

6. That Applicant has requested waivers from Gulf Oil Corporation, Cities Service Oil Company, John Kelly, and Continental Oil Company for permission to form the proposed unorthodox gas proration unit and, as of the date of this application, Applicant has had no indication of the decision of these companies with respect to its request.

Therefore, Applicant respectfully requests that this matter be set down for hearing before the Commission; that notice thereof be given, as required by law and the regulations of the Commission; and that upon final hearing the Commission issue its order approving the unorthodox gas proration unit as requested by Applicant in this application.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis
Its Attorney

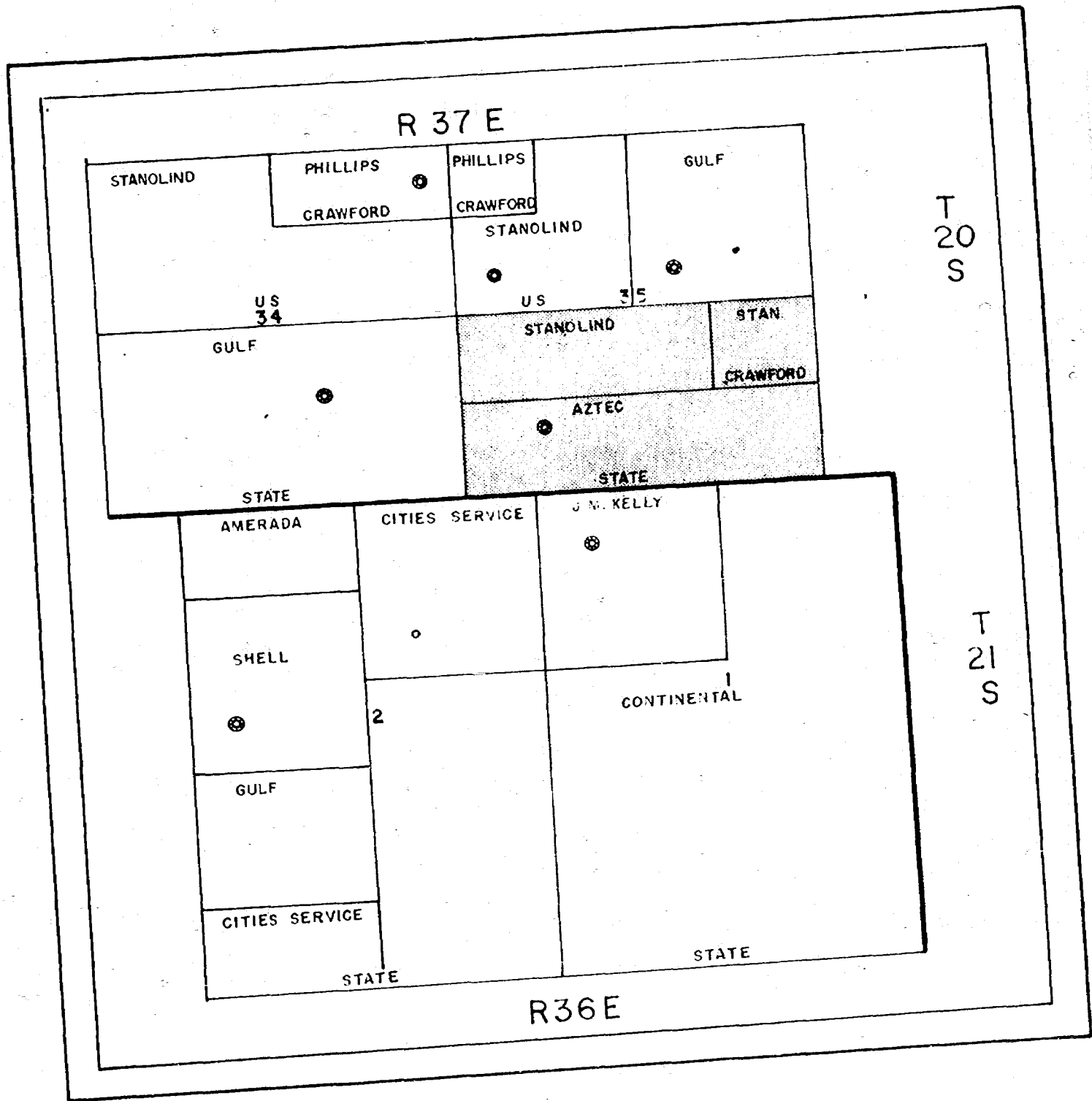
STATE OF TEXAS)
COUNTY OF DALLAS) SS

Subscribed and sworn to before me by Quilman B. Davis, Attorney of Aztec Oil & Gas Company, the above named Applicant, this 8th day of October, 1954.

Naomi D. Langman
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955



PROPOSED GAS PRORATION UNIT.

Aztec Oil & Gas Company
Exhibit A

Case 762

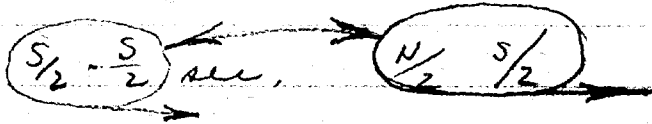
State unit

Aytec & Standard

Queen well - Eumout

→ 990 F WL 990 F SL ←

Aytec $\frac{5}{8}$ SE $\frac{1}{4}$ $\frac{80}{}$ $\frac{1}{2}$ SE $\frac{1}{4}$ $\frac{90}{}$ Standard.



20 Oct.

Exception to
Rule
5-A

App. Aytec Oil & Gas Co. et al for
creation of non-standard pro. unit
embracing $\frac{1}{2}$ 35-20 S R 37E
Eumout gas pool - Lea County, N.M.

Amelia Davis

Exception to rule 5-A order 520

Application of Aytec Oil and Gas Co.
et al for an exception to Rule 5A of
Commission order R-520 in seeking the
creation of a non-standard gas production
unit consisting of 320 acres embracing the $\frac{1}{2}$
of Sec. 35, T. 20 S., R. 37 E Lea County,
N.M. in the Eumout Gas Pool.

Tel. 11/11/51
4-21-51