

CASE 2372: Application of AZTEC  
Oil & Gas for unorthodox oil well  
location & non-standard oil unit.

-asa 110.

2372

Application, Transcript,  
and Exhibits, Etc.

State of New Mexico  
Oil Conservation Commission



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

**September 7, 1961**

Re: Case No. 2372  
Order No. R-2059  
Applicant:  
**Astec Oil & Gas Company**

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. Porter, Jr.

Carbon copy of order also sent to:

OTHER

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. 2372  
Order No. R-2059

APPLICATION OF ARTEC OIL & GAS  
COMPANY FOR AN UNORTHDOX OIL  
WELL LOCATION AND FOR A NON-  
STANDARD OIL PRODUCTION UNIT IN  
THE GHA GHA-GALLUP OIL POOL,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 30, 1961, at Santa Fe, New Mexico, before Elvis A. Uts, Examiner duly appointed by the Oil Conservation Commission of New Mexico, herein after referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

Now, on this 7th day of September, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uts, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Artec Oil & Gas Company, and the protestant, Humble Oil & Refining Company, request that the subject case be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2372 is hereby dismissed.

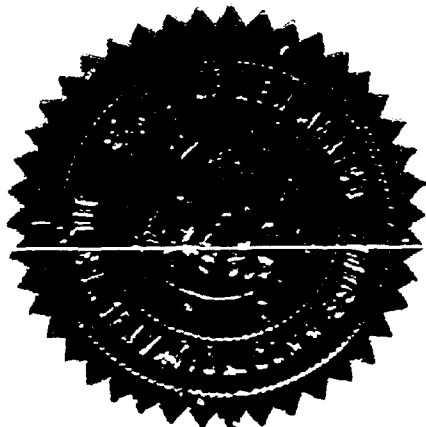
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

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

*A. L. Porter*  
A. L. PORTER, Jr., Member & Secretary



OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

Case 2372

8-17-61  
J. H. [Signature]

August 10, 1961

Astec Oil & Gas Company  
920 Mercantile Securities Building  
Dallas 1, Texas

Attention: Mr. Kenneth A. Swanson  
Gentlemen:

Reference is made to your application dated July 13, 1961, for administrative approval of an unorthodox well location and non-standard proration unit for the Astec Hagedorn Well No. 29-G in the Cha-Cha-Gallup Oil Pool, San Juan County, New Mexico.

Please be informed that Humble Oil & Refining Company has filed an objection to the granting of your application, and, accordingly, the matter is being set for hearing before a Commission Examiner on August 30, 1961.

Very truly yours,

RICHARD S. MORRIS  
Attorney

RSM/esr

COPY

**Class of Service**

This is a fast message unless the deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

1201 (4-00)

**SYMBOLS**

DL=Day Letter

NL=Night Letter

LT=International  
Letter Telegram

W. F. MARSHALL, President

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

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NEW MEXICO OIL CONSERVATION COMMISSION=  
SANTA FE NMEX=.

ATTN MR RICHARD S MORRIS  
PLEASE DISMISS OUR APPLICATION FOR APPROVAL OF  
UNORTHODOX WELL LOCATION AND NON-STANDARD PRORATION  
UNIT FOR THE AZTEC NO. 29-G WELL DATED JULY 13, 1961,  
AS AMENDED JULY 19, 1961, SET FOR HEARING BY THE  
COMMISSION FOR AUGUST 30 1961 AND DESIGNATED CASE 2372=  
OUR APPLICATION FOR ADMINISTRATIVE APPROVAL RELATING TO

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

**CLASS OF SERVICE**  
This is a first message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

**SYMBOLS**  
DL = Day Letter  
NL = Night Letter  
LT = International Letter Telegram

1201 (4-00)

W. P. MARSHALL, President  
The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination.

SUCH WELL DATED AUGUST 21 1961 SUPPLANTS THAT  
DESIGNATED CASE 2372=  
KENNETH A SWANSON AZTEC OIL & GAS CO==

29-G 131961 19 1961 30 1961 2372 21 1961 2372...

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 30, 1961

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

Cases 2368 through 2372 will not be heard before 1:00 P.M.

- CASE 2359: Application of Shell Oil Company for a pilot water flood project in the Townsend-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pilot water flood project in the Townsend-Wolfcamp Pool with water injection initially to be through the Texas Pacific Coal & Oil Company State "J" Well No. 2, located in the NE/4 SW/4 of Section 10, Township 16 South, Range 35 East, Lea County, New Mexico.
- CASE 2360: Application of Shell Oil Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a Pressure Maintenance Project in the Bisti-Lower Gallup Oil Pool in the Carson Unit Area and also in Sections 10, 15 and 22, Township 25 North, Range 12 West, San Juan County, New Mexico.
- CASE 2361: Application of Shell Oil Company for an exception to Rule 303, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 to permit commingling of the production from the Terry-Blinebry, Drinkard, and Hare Pools on its Taylor Glenn Lease, located in Sections 3 and 4, Township 21 South, Range 37 East, Lea County, New Mexico, and to allocate production to each pool on the basis of monthly well tests.
- CASE 2362: Application of Shell Oil Company for an exception to Rule 303, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 to permit commingling of the production from the Brunson and Hare Pools on its State (Section 2) Lease located in Section 2, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant further proposes to commingle the production from the Terry-Blinebry, Drinkard, Tubb and Wantz-Abo Pools on its said State (Section 2) Lease. Applicant proposes to allocate production to each pool on the basis of monthly well tests.



CASE 2363: Application of Shell Oil Company for exceptions to Rules 303 and 309, Lea County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Rules 303 and 309 to permit commingling of the production from the Drinkard, Blinebry, and Wantz-Abo Pools and from the Brunson and Hare Pools on its Argo-Argo (A) Lease in Sections 15 and 22, Township 21 South, Range 37 East, and to commingle the production from the aforesaid pools on its Turner Lease in said Section 22, allocating the production from each pool on each of the aforesaid leases on the basis of monthly well tests. Applicant further proposes to commingle the commingled production from each lease, prior to treating, allocating the production to each lease on the basis of continuous metering and sampling.

CASE 2364: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its A. H. Blinebry NCT-1 Well No. 14, located in Unit M, Section 28, Township 22 South, Range 38 East, Lea County, New Mexico, as a triple completion (conventional), in the South Paddock, Tubb and Drinkard Pools, the production of oil from each pool to be through parallel strings of 2 3/8 inch tubing.

CASE 2365: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its G. L. Erwin (b) NCT-2 Well No. 1, located in Unit P, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in undesignated Fusselman, McKee and Ellenburger pools, the production of oil from each pool to be through parallel strings of 2 3/8 inch tubing.

CASE 2366: Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 198.64-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the SW/4 NW/4 of Section 4, and the NE/4 of Section 5, all in Township 24 South, Range 37 East, Lea County, New Mexico; said unit is to be dedicated to applicant's E. D. Fanning Well No. 7, located 1980 feet from the North and East lines of said Section 5.

CASE 2367: Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4, NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of Section 17, Township 23 South, Range 37 East, Lea County, New Mexico; said unit is to be dedicated to the E. L. Steeler Well No. 7, located 1980 feet from the South line and 660 feet from the West line of said Section 17.

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The following cases will not be heard before 1:00 P.M.

CASE 2368: Application of Sinclair Oil & Gas Company for an exception to Rule 309, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Devonian oil production from its C. S. Stone lease, comprising the N/2 of Section 22, from its Reed Estate Lease, comprising the SE/4 of Section 22, and from its B. D. Buckley Lease, comprising the SW/4 of Section 22, all in Township 25 South, Range 38 East, Lea County, New Mexico, after separately metering the production from each lease.

CASE 2369: Application of Sunray Mid-Continent Oil Company for a dually completed oil-producing salt water disposal well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to dually complete its State "O" Well No. 3, located in Unit O, Section 12, Township 19 South, Range 28 East, Eddy County, New Mexico, in such a manner as to permit the production of oil through tubing from perforations at 1763 feet to 2178 feet and to dispose of produced salt water through the casing-tubing annulus into the Rustler Anhydrite and Yates formation through perforations at 386 feet to 884 feet.

CASE 2370: Application of Newmont Oil Company for special rules governing its Square Lake Pool Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special rules governing its Square Lake Pool Waterflood Project in Eddy County, New Mexico, to include provisions for the immediate conversion to water injection of certain wells in said project and the conversion of additional wells to water injection at later stages in the life of said waterflood project.

CASE 2371: Application of Hudson & Hudson for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its Puckett "B" Well No. 19, at an unorthodox oil well location in the Maljamar (Grayburg-San Andres) Pool, 2615 feet from the South and West lines of Section 25, Township 17 South, Range 31 East, Eddy County, New Mexico.

CASE 2372: Application of Aztec Oil & Gas Company for an unorthodox oil well location and for a non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an 86.02-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, consisting of Lot 4 and the NE/4 SE/4 and SW/4 SE/4 of Section 30, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Hagood Well No. 29-G to be located at an unorthodox location 450 feet from the South line and 3600 feet from the East line of said Section 30.

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  
Santa 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.

EDK: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  
Dallas 1, Texas

**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 un-  
orthodox 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)

*Enter 2372*

*NSL - 266*  
*and*  
*NWU*

*Aug 18*

*wait*  
*copy to G&C*  
*office*

July 13, 1961

4. As outlined in its application approved by Administrative Order NW 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

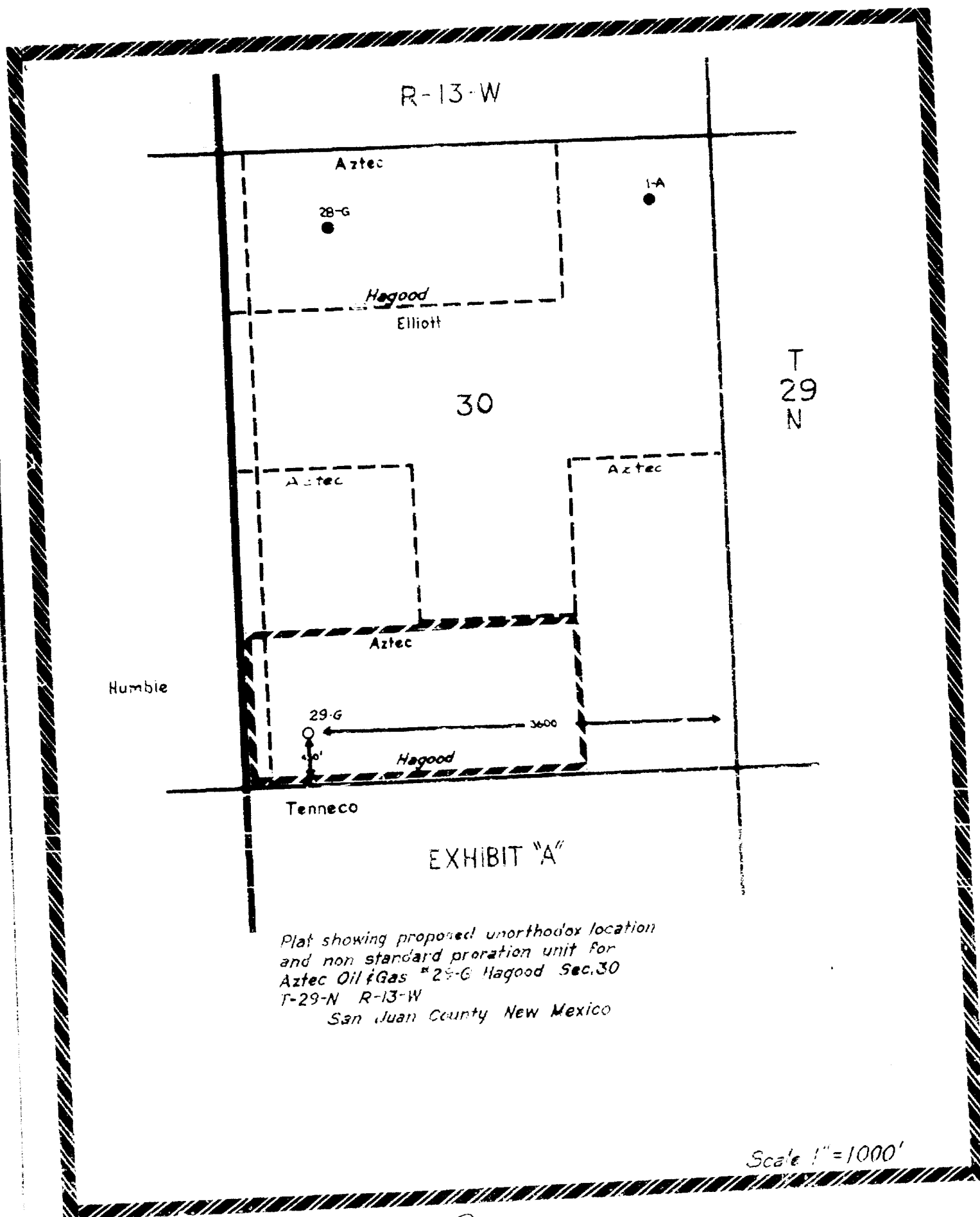
By Kenneth A. Swanson  
Kenneth A. Swanson  
Attorney

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




Case 2372

Case 2372

Heard 8-30-61

Rec. 8-31-61

Reimburse Case as requested  
by applicant. 



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
August 30, 1961

EXAMINER HEARING

IN THE MATTER OF:

Case No. 2372

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
August 30, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Aztec Oil & Gas Company for an unorthodox oil well location and for a non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant in the above-styled cause seeks the establishing of an 86.02-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, consisting of lot 4 and the NE/4 SE/4 and SW/4 SE/4 of Section 30, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Hagood Well No. 29-G to be located at an unorthodox location 450 feet from the South line and 3,600 feet from the East line of said Section 30.

Case  
2372

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2372.

MR. MORRIS: Application of Aztec Oil & Gas Company for an unorthodox oil well location and for a non-standard oil proration unit in the Cha Cha-Gallup Oil Pool.

Mr. Examiner, this case was set for hearing, having originally been an application for administrative approval. The protestant in this case has been advised that Aztec Oil & Gas Company has submitted a new request, a different request for administrative approval; and therefore, all concur in requesting the dismissal of this case.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO



MR. UTZ: Is there objection to the applicant's request for dismissal of the case 2372? If there is none, the case will be dismissed.

(Whereupon, the hearing of Case 2372 was concluded.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, Michael P. Hall, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

*Michael P. Hall*  
NOTARY PUBLIC

My commission expires:

June 20, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive Hearing of Case No. 2322, heard by me on 8-30-1961.  
*Thos. A. Hall*, Examiner  
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

