

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 619
Order No. R-523

THE APPLICATION OF AZTEC OIL AND
GAS COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF THE E/2 SW/4 AND NW/4 SE/4
OF SECTION 27, TOWNSHIP 19 SOUTH, RANGE
37 EAST, NMPM, LEA COUNTY, NEW MEXICO,
IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on December 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission hereinafter referred to as the "Commission".

NOW, on this 2nd day of September, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Aztec Oil and Gas Company, is the owner of an oil and gas lease in Lea County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
E/2 SW/4 and NW/4 SE/4 of Section 27

containing 120 acres, more or less.

(4) That applicant, Aztec Oil and Gas Company, has a producing well on the aforesaid lease known as Maxwell State No. 1, located 1650' from the South line and 2310' from the West line of Section 27, Township 19 South, Range 37 East.

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(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That the applicant has not attempted to pool or communitize applicants said lease with adjoining acreage in the SE/4 of Section 27, since said well was completed in 1951.

(7) That Gulf Oil Corporation, the owner of adjoining acreage in the SW/4 SE/4 of said Section 27, has specifically protested and objected to the proposed proration unit of 120 acres applied for by the applicant.

(8) That there is no showing made that unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share in the Eumont Gas Pool, or that such a unit is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

That the application of Aztec Oil and Gas Company for approval of an unorthodox proration unit consisting of the following described acreage:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
E/2 SW/4 and NW/4 SE/4 of Section 27

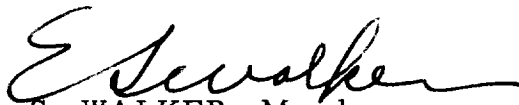
be, and the same is hereby disapproved and denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

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