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Due Nov 20

AZTEC OIL & GAS COMPANY MAIN OFFICE OCC
920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

1958 OCT 31 PM 1:27

October 28, 1958

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

NSL-161
(on waiting period)

Re: Application of Aztec Oil & Gas Company for: I. Exception to Rule 2 of Order No. R-520, For Administrative Approval of a Non-Standard Location in the Eumont Gas Pool, Lea County, New Mexico; II. Exception to Rule 5(a) of Order No. R-520 For Administrative Approval of a Non-Standard Gas Proration Unit in the Eumont Gas Pool, Lea County, New Mexico.

Dear Mr. Porter:

I.

Pursuant to Rule 3 of Order No. R-520, Aztec Oil & Gas Company hereby submits its application for an exception to the well location regulations of Rule 2 of Order No. R-520, and it requests approval of a non-standard location of its natural gas well known as the State E-33 #2 well which is located on the NW¹/₄NW¹/₄ of Section 33, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

In support of the request for a non-standard location, Aztec Oil & Gas Company respectfully states and shows the following:

- (1) The non-standard location of the well is six hundred and sixty feet (660') from the North line and nine hundred and ninety feet (990') from the West line of Section 33, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico. This non-standard location is occasioned by the recompletion of a well previously drilled to another horizon.

- (2) Applicant's State E-33 #2 well was originally drilled and completed as a producing oil well in the Seven Rivers formation of the Eumont Gas Pool on May 7, 1955. The well ceased to produce oil and was recompleted in the Yates formation of the Eumont Gas Pool as a natural gas well on October 10, 1958. On October 18, 1958, the well was tested as a gas well with an absolute open flow of 920 MCF per day.
- (3) Attached hereto as Exhibit "A" is a list of the Operators, so far as is known to Applicant, that own mineral rights on the acreage offsetting the above described well within 1980 feet.

A copy of this application has been forwarded by Registered Mail to the appropriate parties listed on Exhibit "A" with a request that they forward their approval of the non-standard location directly to the Commission in order to expedite approval.

- (4) Attached hereto as Exhibit "B" is a plat showing the location of the above well, the acreage dedicated thereto, and the offset owners to such acreage.

II.

Pursuant to Rule 5(b) of Order No. R-520, Aztec Oil & Gas Company hereby submits its application for an exception to Rule 5(a) of Order No. R-520, and it requests administrative approval of a non-standard gas proration unit comprising the NW $\frac{1}{4}$ of Section 33, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico. It is further requested that pursuant to Rule 8 of Order No. R-520 as amended by Rule 6(b) of Order No. R-967, and upon approval of such non-standard proration unit, Aztec be granted an allowable for such well in the ratio which the area of such unit bears to a proration unit of 160 acres; i.e. 160/160 giving an acreage factor of 1.00.

In support of this request for a non-standard proration unit, Aztec respectfully states and shows the following:

- (1) The proposed non-standard proration unit is in the form of a square and consists of contiguous quarter-quarter sections.

- (2) The non-standard proration unit lies wholly within a single governmental section.
- (3) The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.
- (4) Neither the length nor the width of the proposed unit exceeds 5280 feet.
- (5) All Operators, so far as is known to Applicant, that own acreage within the section offsetting this non-standard unit are indicated on Exhibit "A" and are shown on Exhibit "B" attached hereto and such operators have been furnished a copy of this application by Registered Mail with a request that they forward their approval of this non-standard gas proration unit directly to the Commission in order to expedite approval.
- (6) The acreage comprising this proposed non-standard proration unit shall be dedicated to the well known as Aztec's State E-33 #2 well.

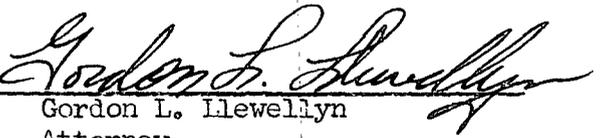
WHEREFOR, Aztec Oil & Gas Company respectfully requests:

1. That the Secretary-Director of the Commission by administrative approval grant an exception to Rule 2 of Order No. R-520, without notice and hearing, approving the Non-Standard Location set forth under "I" above; and,

2. That the Secretary-Director of the Commission by administrative approval grant an exception to Rule 5(a) of Order No. R-520, without notice and hearing, approving the Non-Standard Gas Proration Unit set forth under "II" above.

Yours very truly,

AZTEC OIL & GAS COMPANY.

By 
 Gordon L. Llewellyn
 Attorney

STATE OF TEXAS)
 COUNTY OF DALLAS)

Gordon L. Llewellyn, being first duly sworn, hereby states

Mr. A. L. Porter

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October 28, 1958

that he is the attorney of Aztec Oil & Gas Company, the applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and to the best of his knowledge, information and belief, all statements of fact contained therein are true and correct.


Gordon L. Llewellyn

Sworn to and subscribed before me, the undersigned authority, on this 28th day of October, 1958.

My Commission Expires:

June 1, 1959


Notary Public in and for
Dallas County, Texas



EXHIBIT "A"

* Bell Oil Company, Ltd.
P. O. Box 4485
Midland, Texas

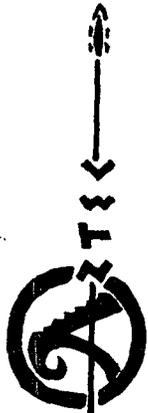
* Charles P. Miller
P. O. Box 385
Hobbs, New Mexico

** Charm Oil Company
314 Carper Building
Artesia, New Mexico

** Warren-Bradshaw Exploration Company
3109 West Ohio
Midland, Texas

* Within 1980' of subject well; therefore, notified for N.S.L. request.

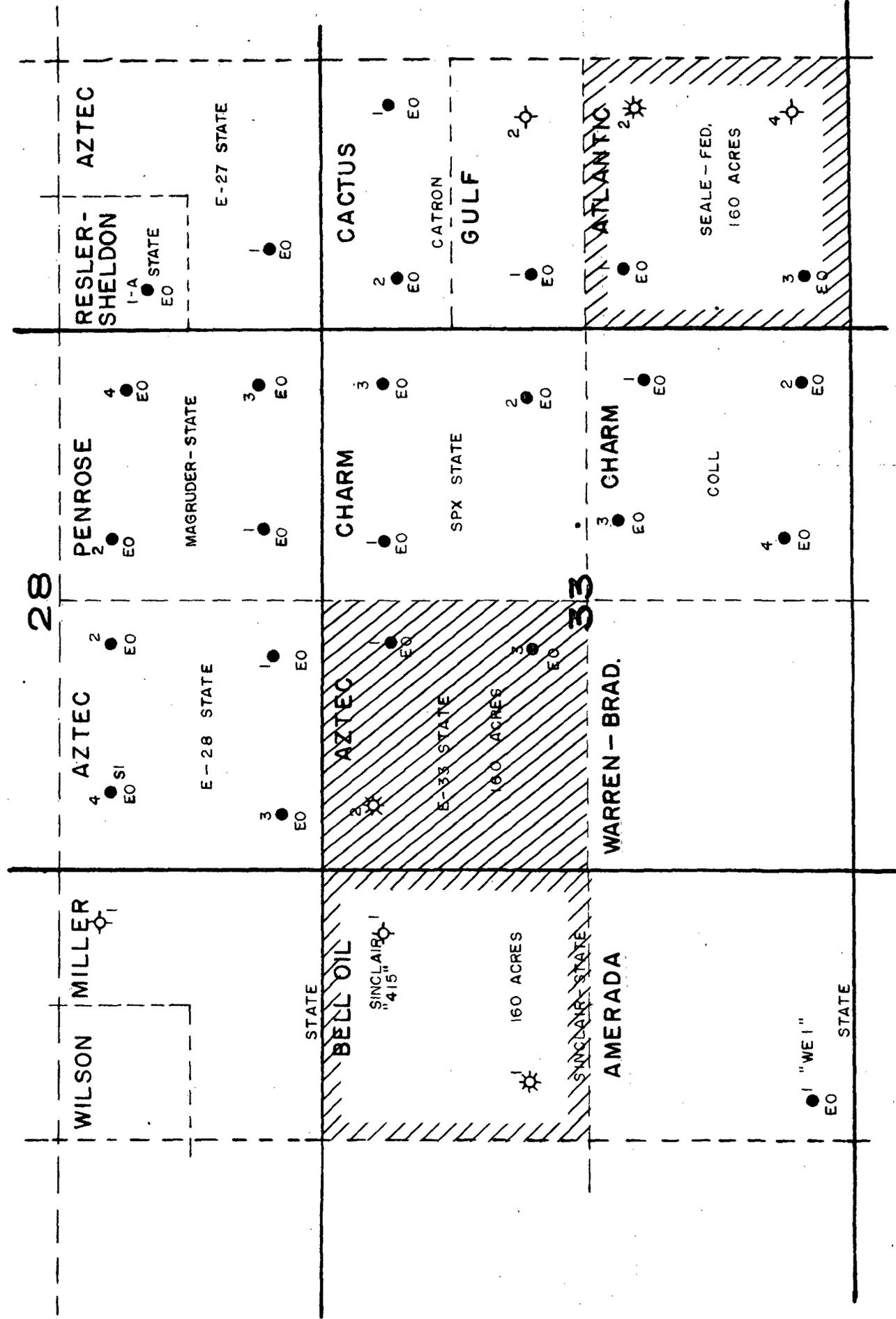
** Within the same section as the subject well; therefore, notified for N.S.P.U. request.



NSL & NSP APPLICATION
 EXHIBIT "B" STATE E-33 NO.2

AZTEC OIL & GAS COMPANY

SEC. 33-T20S-R36E LEA CO., N.M.



MAIN OFFICE OCC
NOV 17 AM 8:32

OIL CONSERVATION COMMISSION
BOX 2045
HOBBS, NEW MEXICO

DATE November 13, 1958

OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Re: Proposed NSP _____
Proposed NSL 167
Proposed NFO _____
Proposed DC _____

Gentlemen:

I have examined the application dated _____
for the Aztec Oil & Gas Co. State E-33 #2 33-20-36
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

- O.K.---E.F.E.
- O.K.---J.W.R.
- _____
- _____
- _____
- _____

Yours very truly,

OIL CONSERVATION COMMISSION
[Handwritten Signature]