

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. 894
Order No. R-666

THE APPLICATION OF AZTEC OIL AND GAS
COMPANY FOR AN ORDER GRANTING APPROVAL
OF AN EXCEPTION PURSUANT TO RULE 6 (a) OF
THE SPECIAL RULES AND REGULATIONS FOR
THE FULCHER KUTZ-PICTURED CLIFFS GAS POOL
OF ORDER NO. R-565 IN ESTABLISHMENT OF A NON-
STANDARD GAS PRORATION UNIT OF 160 CONTIGUOUS
ACRES CONSISTING OF THE SW/4 SW/4 SECTION 17,
SE/4 SE/4 SECTION 18, NE/4 NE/4 SECTION 19 AND
NW/4 NW/4 SECTION 20, TOWNSHIP 29 NORTH, RANGE
11 WEST, NMPM, 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 May 18, 1955 and June 28, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 27th., day of July, 1955, the Commission, a quorum being present, having considered the 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 6 (a) of the Special Rules and Regulations for the Fulcher Kutz-Pictured Cliffs Gas Pool, of Order No. R-565, 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 San Juan County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

Township 29 North, Range 11 West, NMPM
SW/4 SW/4 Section 17, SE/4 SE/4 Section 18,
NE/4 NE/4 Section 19 and NW/4 NW/4 Section 20

containing 160 acres, more or less.

(4) That applicant, Aztec Oil and Gas Company has a producing gas well on the aforesaid lease known as McDaniels Well No. 1, located 230 feet from the North line and 280 feet from the East line of Section 19, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(5) That the aforesaid well was completed and in production prior to December 23, 1954, the effective date of Order No. R-565, and is located within the horizontal limits and vertical limits of the pool heretofore delineated and designated as the Fulcher Kutz-Pictured Cliffs Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the Fulcher Kutz-Pictured Cliffs Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 160 acres.

(7) 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 of the natural gas in the Fulcher Kutz-Pictured Cliffs Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of the Aztec Oil and Gas Company for approval of a non-standard proration unit consisting of the following described acreage:

Township 29 North, Range 11 West, NMPM
SW/4 SW/4 Section 17, SE/4 SE/4 Section 18,
NE/4 NE/4 Section 19 and NW/4 NW/4 Section 20

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, McDaniels Well No. 1, located in the NE/4 NE/4 of Section 19, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, shall be granted a 160-acre unit allowable in said Fulcher Kutz-Pictured Cliffs Gas Pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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