

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. 6003
Order No. R-5509

APPLICATION OF AZTEC OIL & GAS COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 3, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of August, 1977, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Aztec Oil & Gas Company, seeks
approval of an unorthodox gas well location for its Arizona
Jicarilla B Well No. 8 at least 790 feet from the North line and
at least 790 feet from the West line, but no closer than 330 feet
to any quarter-quarter section line, of Section 9, Township 26
North, Range 5 West, NMPM, Blanco Mesaverde Pool, Rio Arriba
County, New Mexico.

(3) That the W/2 of said Section 9 is to be dedicated to
the well.

(4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed
unorthodox location.

(6) That approval of the subject application will afford the
applicant the opportunity to produce its just and equitable
share of the gas in the subject pool, will prevent the economic
loss caused by the drilling of unnecessary wells, avoid the
augmentation of risk arising from the drilling of an excessive
number of wells, and will otherwise prevent waste and protect
correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Mesaverde formation is hereby approved for the Aztec Oil & Gas Company Arizona Jicarilla B Well No. 8 to be located at a point at least 790 feet from the North line and at least 790 feet from the West line, but no nearer than 330 feet to any quarter-quarter section line, of Section 9, Township 26 North, Range 5 West, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.

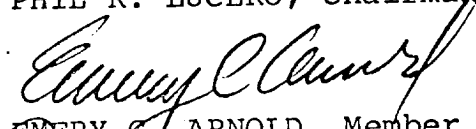
(2) That the W/2 of said Section 9 shall be dedicated to the above-described well.

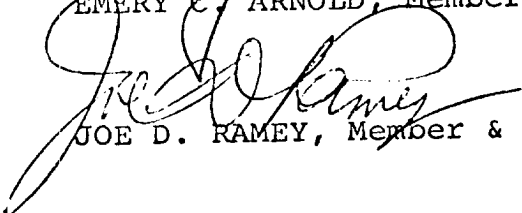
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L