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DALLAS 1, TEXAS

August 17, 1960

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 of an exception to Rule 3 of Order R-565-C approving an unorthodox Drilling Location in the Fulcher Kutz-Pictured Cliffs Gas Pool, and an exception to Rule 2(a)(1) of Order R-1287 approving an unorthodox Drilling Location in an undesignated Dakota Gas Area

Dear Mr. Porter:

Pursuant to Rule 1(b) of Order R-1287 and to Rule 4 of Order R-565-C, Aztec Oil & Gas Company hereby submits, in triplicate. its application for administrative approval of exceptions to the well location regulations set forth in Orders R-1287 and R-565-C and requests administrative approval of an unorthodox drilling location in the Northeast Quarter (NE1) of Section 5, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico.

In support of this application, applicant respectfully states and shows the following:

1. The proposed unorthodox drilling location has been staked one thousand eight hundred and forty feet (1,840') from the East line and eight hundred and ten feet (810') from the North line of Section 5. This unorthodox location is necessitated by topographical conditions. and El Paso Natural Gas Company, the only operator of offsetting leases or leases within the section, as indicated on Exhibit "A" attached hereto and made a part hereof, has been furnished a copy of this Application by registered mail along with a request that it waive notice and hearing.

August 17, 1960

- 2. Applicant intends to drill a well on the unorthodox drilling location, if approved, to be known as the Hanks #18-D Well.
- 3. Applicant plans to dually complete the proposed well as a gas well producing from the Pictured Cliffs and Dakota formations. Such well will be within the defined limits of the Fulcher Kutz-Pictured Cliffs Gas Pool and in an undesignated Dakota Area.

Applicant respectfully requests that the Secretary-Director of the Commission, by Administrative Approval, grant exceptions as above provided without notice and hearing, approving the unorthodox drilling location set forth above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Leweth a. Swanson

Attorney

T-28-N

| Mc Millan White | E.P.N.G. P.O. Box 197 Parmington N.M. | EPNG. | EPNG. |
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Exhibit - "A"

AZTEG OIL & GAS COMPANY 929 MERCANTILE SECURITIES BUILDING Dattes Taxas

August 17, 1960

CERTIFIED MAIL RETURN RECEIPT REQUESTED

El Paso Natural des Company P. O. Box 997 Farmington, New Mexico

> Re: Application for Administrative Proval of unorthodox location for Hanks #18.D in Fulcher Rutz- Pictored Cliffs Cas Pool-in an undesignated Dakota Gas Pool, San Juan County,

Gentlemen:

Enclosed for your information and approval is one copy of Astec's captioned application to the New Mexico Oil Conservation

In order to expedite approval of this application, we would appreciate your forwarding your consent in the form of a waiver directly to the New Mexico Oil Conservation Commission, furnishing ue a copy of such approvel.

Yours very truly, Karries Br. O. Carrons et

KAS/et Enclosure

MAIN OFFICE Caso Natural Gas Company

1960 SEP 2 PM 1 1 11 El Paso, Texas

August 31, 1960

ADDRESS REPLY TO: POST OFFICE BOX 997 FARMINGTON, NEW MEXICO

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

> Re: Application by Aztec Oil and Gas Company for Administrative Approval of Unorthodox Location for Hanks 18-D in Fulcher Kutz-PC Gas Pool and in an Undesignated Dakota Gas Pool, San Juan County, New Mexico

Dear Mr. Porter:

The above described well, if approved, will be drilled in the Northeast quarter (NE/4) of Section 5, Township 27 North, Range 9 West, San Juan County, New Mexico. El Paso Natural Gas Company, the only operator of offsetting leases or leases within the section, hereby waives any notice or hearing required for Commission approval of the above described unorthodox drilling location.

Area Landman

Geological & Exploration

Department

HG:LH:bjs

cc: Aztec Oil and Gas Company 920 Mercantile Securities Bldg. Dallas 1, Texas