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AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

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Re: Application for Exception to
Rule 6(a) of Order R-565, as
amended, for Establishment of
a Non-Standard Gas Proration Unit,
Fulcher Kutz-Pictured Cliffs Gas
Pool, San Juan County, N. M.

Gentlemen:

Aztec Oil & Gas Company (hereinafter referred to as "Applicant") hereby submits its application for approval of a Non-Standard gas proration unit comprising the South one-half of the Southwest quarter ($S\frac{1}{2}$ of the $SW\frac{1}{4}$) of Section 20, and the North one-half of the Northwest quarter ($N\frac{1}{2}$ of the $NW\frac{1}{4}$) of Section 29, all in Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, as depicted on the plat attached hereto.

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

1. That Applicant's Dallabetta No. 1 well located 330 feet from the South line and 1650 feet from the West line of Section 20, Township 29 North, Range 11 West, N.M.P.M., was completed on December 1, 1946, and connected to the gas transmission system of Southern Union Gas Company on February 8, 1947.

2. That the proposed Non-Standard gas proration unit consists of 160 acres which are contiguous quarter-quarter sections.

3. In the opinion of Applicant the entire Non-Standard gas proration unit requested herein may reasonably be presumed to be productive of gas from the Pictured Cliffs formation.

4. Applicant owns the entire working interest in the proposed Non-Standard gas proration unit.

5. It is impracticable to form a standard gas proration unit for Applicant's Dallabetta No. 1 well.

6. That unless the Non-Standard gas proration unit, as requested by this application, is approved by the Commission, Applicant will be deprived of the opportunity to recover its just and equitable share of gas from the reservoir.

7. That Applicant's predecessor, Southern Union Production Company, executed on October 16, 1946, and filed in the County Records of San Juan County, New Mexico, a DESIGNATION OF POOLED UNIT, designating lands described in this application, as the unit for Applicant's Dallabetta No. 1 well.

THEREFORE, Applicant respectfully requests that this matter be set down for hearing before the Commission; that notice thereof be given, as required by law and the regulations of the Commission; and that upon final hearing, the Commission issue its Order approving the Non-Standard gas proration unit, as requested in this application.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis
Its Attorney

STATE OF TEXAS

COUNTY OF DALLAS

Quilman B. Davis, being first duly sworn, hereby states that he is the attorney for Aztec Oil & Gas Company, Applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read the application, and to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct, and that a copy of this application was duly deposited on April 19, 1955, in the United States Post Office, addressed to the parties listed below as receiving a carbon copy of this application.

Quilman B. Davis
Quilman B. Davis

Sworn to and subscribed before me, the undersigned authority, this 19th day of April, 1955.

W. S. Tompkins
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955

cc: Summit Oil Company
Burt Building
Dallas, Texas

E. L. and T. F. Harrigan
3400 North Western
Oklahoma City, Oklahoma

Haynes and V. T. Drilling Company
Odessa, Texas

L. G. Stearns
Hesperus, Colorado