

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE: APPLICATION OF PETRO-ATLAS, INC.,)
FOR AN ORDER CANCELLING OVER-PRODUCTION)
ON ITS AZTEC NO. ONE (1) WELL LOCATED)
IN THE APPROXIMATE CENTER OF THE SOUTH-)
EAST QUARTER OF THE NORTHWEST QUARTER) CASE NO. 1893
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) OF SECTION EIGHT (8), TOWNSHIP)
TWENTY-SEVEN (27) NORTH, RANGE NINE (9))
WEST, IN SAN JUAN COUNTY, NEW MEXICO.)

FIRST AMENDMENT TO APPLICATION

Comes now the applicant, PETRO-ATLAS, INC., and files this
its First Amended Application in the captioned matter and alleges
and states:

1. That it is the owner and operator of the Petro-
Atlas Aztec No. 1 well located in the approximate center of the
Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$) of Section
Eight (8), Township Twenty-seven (27) North, Range Nine (9) West
in San Juan County, New Mexico.

2. That such well was completed as a commercial gas
well on the 14th day of August, 1958 and that on the 21st day of
August, 1958 a production test was taken on the well and as a
result thereof Form C-122 was filed with the Oil Conservation
Commission; that prior to the promulgation of Order No. R-333 C&D,
such test and report on Form C-122 was correct and that applicant
was under the impression that it took the correct test and made the
correct report, but that Order R-333-C&D above referred to amended
the rules for the pool and established a different deliverability
test and a report thereof on Form C-122A.

3. That subsequent to the completion of the above referred to well and in November, 1958, the above well was connected to El Paso Natural Gas Company's pipe line and thereupon started producing gas; that during the initial production of this well all of the information was obtained as required for filing the prescribed Form C-122A, referred to above, and such form was filed by the applicant from such information on September 11, 1959.

4. That the production taken from the above described well from its initial production in November, 1958 until September, 1959 was a proper amount of production and would have been within the allowable set for said well had Form C-122A been filed at the prescribed time; that the failing to file such form was an inadvertence which arose due to reorganization of the corporation and changes from previous operation of the property wherein the pipe line company had filed the report form; that the purported overproduction which the Commission records show against this well during such period is due to such inadvertence and that the Commission should grant the applicant relief by allowing the time of filing the Form C-122A to relate back to the time of initial production, being the time that the information reflected by such report was obtained and thereby cancelling the overproduction charged against such well.

5. That the applicant is entitled to produce the captioned well at a proper allowable during the period of time prior to the time that Form C-122A was filed in September, 1959 and that granting such allowable will prevent waste and promote the greatest ultimate recovery of gas from the pool in which such well is located. That the granting of an allowable to the applicant for the period of

time from the inception of production in the above described well until Form C-122A was filed in September, 1959 is necessary in order to protect its correlative rights; that the granting of such allowable will in no wise interfere with the correlative rights of any other producers in the pool and that the refusal to grant such allowable will improperly and invalidly interfere with the correlative rights of this applicant.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given as required by the laws of the State of New Mexico and the Rules of this Commission, and that the Commission, from the evidence to be adduced at such hearing, enter an order permitting the filing date of such report Form C-122A regarding the captioned well to relate back prior to first production, and that all over-production charged against such well be cancelled; that applicant be granted a proper allowable for the above described well from the inception of first production until September, 1959 when Form C-122A was filed regarding such well, and that the Commission enter such order as is required to protect the correlative rights of applicant.

PETRO-ATLAS, INC., Applicant

By 
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ATTORNEY FOR APPLICANT