

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

February 3, 1961

LAND DEPARTMENT

H. L. SNIDER, JR., MANAGER

KENNETH A. SWANSON, ATTORNEY

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

Re: Aztec's Application for
NSGPU for East #5 in
Basin Dakota Gas Pool

Dear Mr. Porter:

Enclosed in triplicate is Aztec's captioned Application along with a letter from Greenbrier Oil Company consenting to the designation of this non-standard unit.

Please advise when this case will be heard.

Yours very truly,

Kenneth A. Swanson

jk

cc: Greenbrier Oil Company
Continental Life Building
Ft. Worth, Texas

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Mailed
2.17.61
JK*

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CERTIFIED MAIL

RETURN RECEIPT REQUESTED

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

*R-230
R-230-H
No wait Jim MVI
no number -
letter from
Mackey.*

Re: Application of Aztec Oil & Gas Company for an exception to Rule 5(a) of Order R-1670 approving a Non-Standard Gas Proration Unit in the Basin Dakota Gas Pool, San Juan County, New Mexico

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its Application in triplicate for an exception to Rule 5(a) of Order No. R-1670 and approval of a non-standard gas proration unit consisting of Section 23, SE $\frac{1}{4}$ SE $\frac{1}{4}$ and Section 24, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, T-31-N, R-12-W, N.M.P.M., San Juan County, New Mexico.

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

1. By order No. R-230-A dated October 8, 1954, the Commission authorized the drilling of a well in the SW $\frac{1}{4}$ of Section 24, T-31-N, R-12-W, the drilling unit to comprise the acreage above described. A well, known as the Aztec-East No. 5, located sixteen hundred and fifty feet (1,650') from the West line and nine hundred and ninety feet (990') from the South line of Section 24, was completed November 10, 1954, in the Mesa Verde formation.

2. Applicant plans to re-enter the East No. 5 and to deepen the well to a depth sufficient to test the Dakota formation.

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Should such deepening be successful, it is planned to complete the well as a dual producer in the Blanco Mesa Verde Gas Pool and the Basin Dakota Gas Pool.

3. Applicant owns all the acreage within the Sections in which the non-standard gas proration unit is located and owns all offsetting acreage to such unit with the exception of Section 23, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ and Section 24, NW $\frac{1}{4}$ NW $\frac{1}{4}$, T-31-N, R-12-W, N.M.P.M. which is owned by Greenbrier Oil Company, as indicated on Exhibit "A" attached hereto.

The Commission has approved an unorthodox drilling unit for the Greenbrier acreage by Order No. R-230 pertaining to the Blanco Mesa Verde Gas Pool.

4. The non-standard gas proration unit consists of contiguous quarter-quarter Sections or Lots.

5. With the exception of SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23 the non-standard gas proration unit lies wholly within a single governmental Section.

6. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.

7. The length or width of the non-standard gas proration unit does not exceed 5,280 feet.

Applicant respectfully requests that this Application be set for hearing and promptly considered and that approval be granted for the non-standard gas proration unit above described.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney