

Case 2286

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

May 2, 1961

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

Re: Application of Aztec Oil & Gas
Company for Permission to Com-
mingle Production from the
Totah Gallup Pool from several
Separate Leases in San Juan
County, New Mexico.

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its Application, in tripli-
cate, for an exception to Rule 309(a) of Order 850 and for permission
to commingle production from the Totah Gallup Pool obtained from several
separate oil and gas leases in a common tank battery.

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

1. Applicant is the present owner of the right to drill to and
produce oil and gas from the Gallup formation under the terms of the
following oil and gas leases:

(a) United States Oil and Gas Lease Serial No. Santa
Fe 079065 insofar as it covers:

Township 29 North, Range 13 West, N.M.P.M.

Sec. 19: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 20: N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$
Sec. 29: All

San Juan County, New Mexico

(b) State of New Mexico Oil and Gas Lease No. B-11017-23
insofar as it covers:

Township 29 North, Range 13 West, N.M.P.M.

Section 20: SW $\frac{1}{4}$ NW $\frac{1}{4}$

San Juan County, New Mexico

- (c) State of New Mexico Oil and Gas Lease No. B-11017-21 insofar as it covers:

Township 29 North, Range 13 West, N.M.P.M.

Section 20: NW $\frac{1}{4}$ NW $\frac{1}{4}$

San Juan County, New Mexico

- (d) Fee Lease executed by Siddy Carten Smith and Agnes C. Eaton, dated November 28, 1958, recorded in Book 397 at Pages 28 and 29 of the Oil and Gas Records of San Juan County insofar as it covers:

Township 29 North, Range 13 West, N.M.P.M.

Section 20: NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$,
E $\frac{1}{2}$ NW $\frac{1}{4}$

San Juan County, New Mexico

2. Applicant has drilled, or plans to drill, Gallup wells on each of the above leases and proposes to commingle Gallup oil production in a common tank battery located on the SW $\frac{1}{4}$ of Section 20, after separately metering the oil production from each well that is or may be located on lands not covered by the above Federal Oil and Gas Lease.

3. The leases above described are contiguous.

4. All production is from a common source of supply, to-wit, the Totah Gallup Pool.

5. No more than sixteen (16) units will be produced into the common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.

6. With respect to the right to drill to and produce oil and gas from the Gallup formation under the lands above described, Applicant is the Operator and sole owner thereof.

7. The consent of the State Land Commissioner and of the United States Geological Survey to such commingling has been requested.

Mr. A. L. Porter, Jr.

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Applicant respectfully requests that this Application be promptly set for hearing, that an opportunity be afforded at such hearing for Applicant to present its evidence in support of such Application as may be required or deemed expedient and that the Commission thereafter grant such exception to Rule 309(a) of Order 850 and approve such commingling in a common tank battery.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

KAS/et