CASE 2325: Application of AZTEC for a non-standard oil proration unit in the TOTAH-GALLUP OIL POOL.

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mall Exhibits, Etc.



#### July 7, 1961

Re: CASE NO. 2325

Mr. Kenneth A. Swanson Astec Oil & Gas Company 920 Mercantile Securities Building	ORDER NO. <b>2012</b>
	APPLICANT:
	Axtec Oil & Gas Company
Dallas 1, Texas	
Dear Sir:	
Enclosed herewith are two	copies of the above-referenced
Commission order recently entered in	<del>-</del>
Very	y truly yours,
$\mathcal{U}'$	L. Porter, Jr.
A. I	L. PORTER, Jr.
	retary-Director
ir/	
Carbon copy of order also sent to:	
Hobbs OCC ×	
Artesia OCC	
Aztec OCC x	

#### DEFORE THE OIL COMBENVATION CONCISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMSERVATION CONSISSION OF NEW MEXICO FOR THE FURFOSE OF COMSIDERING:

> CASE No. 2325 Order No. R-2012

APPLICATION OF ARTEC OIL 4 GAS COMPANY FOR A NON-STANDARD OIL PRODUCTION UNIT IN THE TOTAH-GALLUP OIL POOL, SAN JUAN COUNTY, NEW MEXICO.

#### ORDER OF THE CONSTREION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, at Santa Fe, New Mexico, before Elvis A. Utx, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this  $\frac{7\,\mathrm{th}}{}$  day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Braminer, Elvis A. Uts, and being fully advised in the premises,

#### FIME:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That inasmuch as this case is eligible for administrative approval, the applicant, Aztec Oil & Gas Company, has requested that this case be <u>dismissed</u>.

#### IT IS THEREFORE ORDERED:

That Case No. 2325 is hereby dismissed.

DGME at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF HEW MEXICO CIL COMBERVATION CONMISSION

EDWIN L. MECHEM, Chairman

S. WALKER, Monkey

A. L. PORTER, Jr., Member & Secretary

DOCKET: EXAMINER HEARING - WEDNESDAY, JUNE 28, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner or Daniel S. Nutter, as alternate Examiner:

#### CONTINUED CASE

CASE 2298:

Application of Chambers & Kennedy for a gas-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monument State Well No. 1, located in Unit J. Section 34, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eunice-Monument Pool through the 5½-inch by 2½-inch casing-tubing annulus and through 2½-inch tubing respectively.

#### NEW CASES

CASE 2309:

Application of Texaco Inc. for an oil-oil-oil triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. P. Falby (a) Well No. 4, located in Unit E, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Eumont Gas Pool, the Penrose-Skelly Pool, and the Drinkard Pool, the production of oil from each pool to be through parallel strings of 2 3/8-inch tubing.

CASE 2310:

Application of Standard Oil Company of Texas for permission to transfer allowables, Lea County, New Mexico. Applicant, in the above-styled cause, during vertical communication tests, seeks permission to transfer allowables in the Vacuum Abo Pool for a 120-day period from its Vac-Edge Unit Well No. 4, located in the NW/4 NE/4 of Section 4, Township 18 South, Range 35 East, Lea County, New Mexico, to its Vac-Edge Unit Wells Nos. 3 and 6, located in the NE/4 NW/4 of said Section 4 and in the NE/4 NE/4 of said Section 4, respectively.

CASE 2311:

Application of Continental Oil Company for an oil-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Britt B-15 Well No. 10, located in Unit F, Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in an undesignated Blinebry Pool and in the Monument-Tubb Pool, the production of oil from each pool to be through parallel strings of 2-inch tubing.

CASE 2312:

Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309 (a) to permit the commingling, after separate measurement, of the Maljamar-Paddock Pool production from the William Mitchell "A" lease, consisting of the N/2 of Sections 19 and 20, and from the William Mitchell "B" lease, consisting of the W/2 and the W/2 E/2 of Section 17, the E/2 and the E/2 W/2 of Section 18, and the S/2 of Sections 19 and 20, all in Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 2313:

Application of W. W. Holmes for an order fixing the spacing of wells, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order fixing the spacing of wells producing from the Mesaverde formation in the N/2 of Section 11, Township 18 North, Range 3 West, Sandoval County, New Mexico. Applicant recommends the establishment of two and one-half acre well spacing with no increase in the allowable to be assigned a basic 40-acre oil proration wait.

CASE 2314:

Application of Shell Oil Company for an exception to the gasoil ratio provisions of Rule 26 (A). Order No. R-1670, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the gas-oil ratio provisions of Rule 26 (A), Order No. R-1670, to permit its Shell State Well No. 1-A, located 380 feet from the North line and 360 feet from the West line of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to remain classified as a gas well in the Jalmat Gas Pool, with a gas-oil ratio below 100,000: 1.

CASE 2315:

Application of Pan American Petroleum Corporation for a non-standard oil proration unit and for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an 86.62-acre non-standard oil proration unit in the Totah-Gallup Oil Pool consisting of Lots 2, 3 and 4 of Section 12, Town-ship 28 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Gallegos Canyon Unit Well No. 100 at an unorthodox location 476 feet from the North line and 1980 feet from the West line of said Section 12.

CASE 2316:

Application of Pan American Petroleum Corporation for permission to dispose of salt water into the Wolfcamp formation, Lea County, New Mexico. Applicant, in the above-styled

CASE 2316: (Cont.)

cause, seeks permission to dispose of produced salt water into the Wolfcamp formation through its Lois Wingerd Well No. 8 located 660 feet from the South and East lines of Section 24, Township 12 South, Range 37 East, Gladiola-Wolfcamp Pool, Lea County, New Mexico.

CASE 2317:

Application of Pan American Petroleum Corporation for a pressure maintenance project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, and for special rules governing said project. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into certain Northeast Hogback Unit wells in Sections 10, 11, 13, 14, 15 and 24, all in Township 30 North, Range 16 West, San Juan County, New Mexico. Applicant further seeks special rules governing the operation of said project.

CASE 2318:

Application of El Paso Natural Gas Products Company for an order force-pooling a non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Cha Cha-Gallup Oil Pool lying North of the mid-channel of the San Juan River in the SE/4 of Section 17, Township 29 North, Range 14 West, San Juan County, New Mexico. Interested parties include Humble Oil & Refining Company, Pan American Petroleum Corporation, and A. L. Duff.

CASE 2319:

Application of Tenneco Oil Company for a non-standard oil proration unit and for permission to commingle the production from separate leases, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 90.5-acre non-standard oil proration unit in the Cha-Gallup Oil Pool consisting of lots 3 and 4 and the E/2 SW/4 of Section 31, Township 29 North, Range 13 West, San Juan County, New Mexico. Applicant further seeks permission to commingle the Gallup oil production from the subject unit with other Gallup oil production from the E/2 W/2 and from the E/2 of said Section 31 after separately metering the production from each area.

CASE 2320:

Application of R. C. Banks for approval of the High Point Unit Agreement, Lea County, New Mexico. Applicant, in the above styled cause, seeks approval of the High Point Unit

CASE 2320: (Cont.)

Agreement, which unit embraces 1920 acres of State land in Township 11 South, Ranges 34 and 35 East, Lea County, New Mexico.

The following cases will not be heard before 1:30 P.M.

CASE 2321:

Application of Benson-Montin-Greer Drilling Corporation for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for its Jones Well No. 7, located 1200 feet from the North line and 900 feet from the West line of Section 15, Township 28 North, Range 13 West, San Juan County, New Mexico.

CASE 2322:

Application of Southwest Production Company for an unorthodex oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodex oil well location in the Cha Cha-Gallup Oil Pool for a well to be drilled 2260 feet from the North line and 330 feet from the West line of Section 16, Teamship 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2323:

Application of Southwest Production Company for two non-standard oil proration units and for an unorthodox oil well location in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, one unit consisting of the West 56.625 acres and one unit consisting of the East 56.625 acres of that portion of the SE/4 of Section 16, Township 29 North, Range 14 West, lying North of the mid-channel of the San Juan River; the West proration unit is to be dedicated to a well to be drilled at an unorthodox location 1912 feet from the South line and 2310 feet from the East line of said Section 16.

CASE 2324:

Application of Aztec Oil & Gas Company for an order force-pooling a standard 320-acre gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a standard 320-acre gas proration unit in the Basin-Dakota Gas Pool, consisting of the N/2 of Section 2, Township 29 North, Range 12 West, San Juan County, New Mexico.

CASE 2325:

Application of Aztec Oil & Gas Company for a non-standard oil proration unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause,

CASE 2325: (Cont.)

seeks the establishment of an 86.13-acre non-standard oil proration unit in the Totah-Gallup Oil Pool, consisting of Lot 1, the NE/4 NW/4 and the NW/4 NE/4 of Section 30, Town-ship 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Hagood Well No. 28-G located 765 feet from the North line and 3175 feet from the East line of seid Section 30.

CASE 2326:

Application of David Fasken for permission to drill directionally, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks permission to sidetrack and recomplete the David Fasken-King-Davis Well No. 2, located 1980 feet from the North line and 1980 feet from the West line of Section 27. Township 8 South, Range 37 East, Roosevelt County, New Mexico, in such a manner as to locate the bottom of the hole in the Bough "C" formation of the Bluitt-Pennsylvanian Pool 300 feet West of said surface location.

CASE 2327:

Application of the Oil Conservation Commission on its own motion to consider the establishment of non-standard gas proration units for the Basin-Dakota Pool in Townships 29, 30, 31 and 32 North, Ranges 4, 5, 6, 7, 8, 9, 11,12, 13 West, San Juan and Rio Arriba Counties, New Mexico. Said non-standard units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.

CLASS OF SERVICE
This is a fast message
waltes its deferred character is indicated by the
proper symbol.

### WESTERN UNION

TELEGRAM

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SYMBOLS
DL w Day Letter
NL Whight Letter
LT = Invertigational
Letter Telegram

The filing time shown in the date line on domestic relegrans is LOCAL TIME or point of origin. Time of receipt is LOC 12 TIME or point of destination

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L DVA299 LONG PD=FAX DENVER COLO 26 335P MST=
:A L PORTER, SECTY-DIRECTOR=

NEW MEXICO OIL CONSERVATION COMM SANTAFE NMEX:

RE: APPLICATION OF AZTEC OIL & GAS COMPANY FOR AN EXCEPTION TO RULE 2 OF ORDER R-1882 APPROVING A NON-STANDARD PRORATION UNIT IN THE TOTAH-GALLUP OIL POOL, SAN JUAN COUNTY, NEW MEXICO, TO BE LOCATED IN SECTION 30, TOWNSHIP 29 NORTH, RANGE 13 WEST. THIS COMPANY, THE OPERATOR OF OFFSETTING ACREAGE, HEREBY CONSENTS TO THE APPLICATION OF AZTEC OIL & GAS COMPANY FILED JUNE 5, 1961, IN THE REFERENCED MATTER. THIS COMPANY FURTHER WAIVES NOTICE OF HEARING OF THE SAID APPLICATION AND REQUESTS APPROVAL OF THE SAME BE GRANTED=

HUMBLE OIL & REF CO R S HICKLIN==:

2 R=1882 30 29 13 5 196 100

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

LAND DEPARTMENT H. L. SNIDER, JR., MANAGER KENNETH A. SWANSON, ATTORNEY

#### 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 an Exception to Rule 2 of Order R-1882 Approving a Non-Standard Proration Unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico

Dear Mr. Porter:

Hagord, 28-G DWV

Aztec Oil & Gas Company hereby submits its Application, in triplicate, for an exception to Rule 2 of Order R-1882 and approval of the Non-Standard Proration Unit listed below:

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

Section 30: Lot 1, NEINWI, NWINEI

San Juan County, New Mexico

(containing 86.13 acres, more or less)

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

- 1. An orthodox location is anticipated and will be staked seven hundred and sixty-five feet (765') from the north line and three thousand one hundred and seventy-five feet (3175') from the east line of Section 30, T-29-N, R-13-W. When staked, the well will be known as the Hagood #28-G.
- 2. Applicant owns all the acreage within the non-standard unit. Operators owning offsetting acreage are Humble Oil Company, Pan American Petroleum Corporation and Elliott, Inc., and each has been furnished a copy of this Application with a request that their consent

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS I. TEXAS

June 5, 1961

June 5, 1961

in the form of a waiver of notice and hearing be forwarded to the Commission.

- 3. The non-standard unit consists of contiguous quarter-quarter sections or lots.
- 4. The non-standard unit lies wholly within a single governmental section.
- 5. The entire non-standard unit may reasonably be presumed to be productive of oil.
- 6. The length or width of the non-standard unit does not exceed five thousand two hundred and eighty feet (5280').

Applicant respectfully requests that this Application be promptly considered and that approval be administratively granted, pursuant to Rule 2 of Order R-1882, for the non-standard unit above described.

Yours very truly,

AZTEC OIL & GAS COMPANY

Kenneth A. Swanson
Attorney

KAS/et

#### AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING DALLAS 1. TEXAS

June 5, 1961



Public 611 & Biffinding Conjuncy

P. G. Bier 2200

Southern, Terms

#### Civil imm:

Madistred for your information and approval is the copy of Aster's emptioned application to the New Mexico Oil Conservation Constitution.

In order to especific toperoral of this application, we would be provided the form of a waiter distribution of the form of a waiter distribution to the form of a waiter distribution of the form of t

YOU'S VERY TRULY, ORIGINAL SIGNED BY WEINNETH A. SHANSON

wit Inclosure

## AZTEC OIL & GAS COMPANY 920 MERCANTILE SECURITIES BUILDING DALLAS 1, TEXAS

700 5, 2961



Pan American Petroleum Corporation Mil and Gos Building Fort Worth, Texas

> Re: Application of Aster SAL & Sec Company for on Manytian to Pole 2 of Order 3-1888 Arresting a Non-Phophart Provides But in the Scholofellug Stl Pool, Sen Juan County, New Mexico

#### Centlemen:

Spaleced for your information and approval to one copy of Autopia solutioned application to the New Mexico Oil Conservation Countesion.

In order to empeddee approval of this application, we would approval to the form of a maken disposity to the New Herico Oil Conservation Countesion, furnishing us a copy of such approval.

Tours very truly,

ORIGINAL SIGNED BY KENNETH A. SWANSON

Paclesure

#### AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

LAND DEPARTMENT
H. L. SHIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

June 9, 1961

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

Gentlemen:

Please find enclosed a letter from Elliott, Inc. which was mistakenly mailed to Aztec.

Yours very truly,

Kinneth A. Swammen

elt Enclosure

# Filintt, Inc. Box Main - Phone AlAin 2-5840 Rosinell, Mein Alexics June 7, 1961

P. F. Filliatt Prosident Kdun M. Alliett Su's-Com.

New Mexico Oil Conservation Commission Box 871 Santa Fe, New Mexico

Attention: A. L. Porter

Re: Application of Aztec Oil & Gas Company for an Exception to Rule 2 of Order R-1882, Dated June 5, 1961

#### Gentlemen:

Please be advised that we have no objections to the above referenced application of Aztec Oil & Gas Company and you may consider this letter as a waiver of any right of objection.

Very truly yours,

ELLIOTT, INC.

Vice President

FOE/nc

CC: Aztec Oil & Gas Company

Contract? PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING

ALEX CLARKE, JR. DIVISION ENGRIEER FORT WORTH, TEXAS

June 21, 1961

File:

GWK-229-986.510.1

Subject:

Non-Standard Proration Unit Aztec Oil and Gas Company Totah-Gallup Oil Pool San Juan County, New Mexico

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

Dear Sir:

This is to advise that the undersigned, an authorized representative of Pan American Petroleum Corporation, has been duly informed by Aztec Oil and Gas Company of its application for a Non-Standard Proration Unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico, to consist of Lot 1, NE/4 of the NW/4 and the NW/4 of the NE/4, Section 30, T-29-N, R-13-W, San Juan County, New Mexico, containing approximately 86.13 acres and hereby waives notice and hearing.

It is our understanding that the well to be located on this non-standard unit will be at an orthodox location 765° from the north line and 3175' from the east line of Section 30, T-29-N, R-13-W, San Juan County, New Mertico.

Yours very truly,

CRM: ts

Olex Clarge gr

Care 2325 Leand 6-28-61 Rec. 6-29-61 Luinies after NSP. case as requested by applicant.

## BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO JUNE 28, 1961

#### EXAMINER HEARING

IN THE MATTER OF:

**CASE** 2325

Application of Aztec Oil & Gas Company for a non-standard oil proration unit in the Totch-Gallup Oil Pool, San Juan County, New Mexico.

TRANSCRIPT OF HEARING

AARNLEY-MEIER REPORTING SERVICE, Inc.

BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO JUNE 28, 1961

#### EXAMINER HEARING

IN THE MATTER OF:

**CASE** 2325

Application of Aztec Oil & Gas Company for a non-standard oil proration unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause,: seeks the establishment of an 86.13-: acre non-standard oil proration unit : in the Totah-Gallup Oil Pool, consisting of Lot 1, the ME/4 NW/4 and the NW/4 NE/4 of Section 30, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedi-: cated to the Hagood Well No. 28-G located 765 feet from the North line: and 3175 feet from the East line of said Section 30.

BEFORE:

Mr. Elvis A. Utz, Examiner.

TRANSCRIPT <u>o</u> <u>f</u> PROCEEDINGS

MR. UTZ: Case 2325.

MR. MORRIS: Case 2325. Application of Aztec 011 & Gas Company for a non-standard oil proration unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico.

Mr. Examiner, on the basis of newly supplied information,



CH 3-669

the subject application is eligible for administrative approval, and the applicant, therefore, requests that this case be dismissed. MR. UTZ: Without objection, Case 2325 will be dismissed.

\* \* \* \*

STATE OF NEW MEXICO ) COUNTY OF BERNALILLO )

I, ADA DEARMLEY, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 2nd day of July, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Dea Dearle NOTARY PUBLIC

My Commission expires: June 19, 1963

> I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2325. heard by me on ne 28 1961.

... Examiner New Mexico Oil Conservation Commission

