

NSL-67

cc-occ-Ash
10/11/56
w/Order

MAIN OFFICE OCT

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

OCT 15 AM 8:54

ssm 10/11/56

October 11, 1956

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 3 of Order R-565, as
Amended, for Administrative
Approval of a Non-Standard
Drilling Location in the
Pictured Cliffs Gas Pool,
San Juan County, New Mexico

Dear Mr. Porter:

Pursuant to Rule 4 of Order No. R-565, as amended, Aztec Oil & Gas Company hereby submits its application for an exception to Rule 3 of such order and for approval of a non-standard drilling location on the East 3/4ths of Section 8, Township 28 North, Range 9 West, N.M.P.M., San Juan County, New Mexico.

In support of this application, Aztec Oil & Gas Company respectfully states and shows the following:

1. Aztec Oil & Gas Company and El Paso Natural Gas Company have entered into a Communitization Agreement dated May 25, 1956, communitizing and pooling their respective oil and gas leases to provide for a gas proration unit consisting of the East 3/4ths of Section 8, Township 28 North, Range 9 West, N.M.P.M., containing 205.08 acres, in accordance with the Commission's Order No. R-658.

2. The proposed non-standard drilling location has been staked 2,000' from the East line and 100' from the South line of Section 8, Township 28 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. The approval of this application is requested because of the extreme topographical conditions, both as to roads and location.

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Comm.

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3. Attached is a plat reflecting the location of the proposed well, which is to be known as the Reid No. 11, and the offset owners which may possibly be affected by the non-standard location.

4. So far as is known to applicant, El Paso Natural Gas Company, El Paso Natural Gas Building, El Paso, Texas, and Delhi-Taylor Oil Corporation, Corrigan Tower Building, Dallas, Texas, are the only operators other than Aztec owning an interest in leases which will be affected by approval of the non-standard drilling location. A copy of this application has been sent to each of these companies, and they are furnishing the Commission with a consent to the non-standard location.

Aztec Oil & Gas Company respectfully requests that under the provisions of Rule 4 of Order No. R-565, as amended, the Secretary-Director of the Commission grant an exception to Rule 3, without notice and hearing, approving the non-standard location hereinabove set forth.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis
Quilman B. Davis,
General Attorney

STATE OF TEXAS)
COUNTY OF DALLAS)

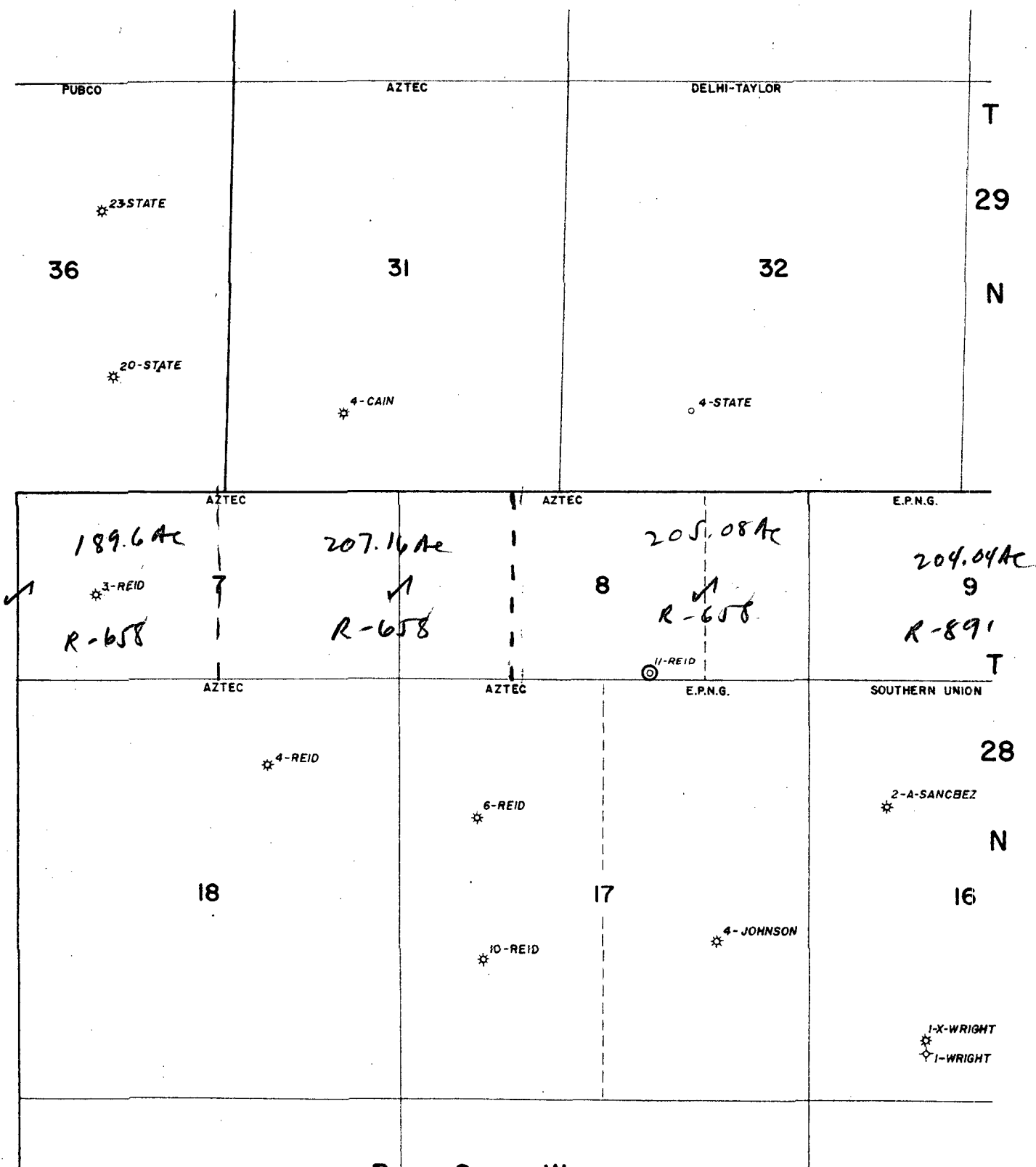
Quilman B. Davis, being first duly sworn, hereby states that he is General Attorney of Aztec Oil & Gas Company, the applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and to the best of his knowledge, information and belief all statements of fact contained therein are true and correct.

Quilman B. Davis
Quilman B. Davis

Sworn to and subscribed before me, the undersigned authority, this 11th day of October, 1956.

My Commission Expires:
June 1, 1957

Naomi R. Langston
Notary Public in and for
Dallas County, Texas



R - 9 - W

SCALE: 3" = 1 MILE

Exhibit A to Aztec Oil & Gas Company
Application for Non-Standard Location

MAIN OFFICE
DELHI-TAYLOR OIL CORPORATION
CORRIGAN TOWER
DALLAS 1, TEXAS
1956 OCT 15 AM 8:54
October 11, 1956

AIR MAIL

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

Attention: Mr. Warren Mankin

Gentlemen:

Delhi-Taylor Oil Corporation hereby consents to the non-standard location for Aztec Oil and Gas Company's Reid No. 11 well to be located 2,000 feet from the east line and 100 feet from the south line of Section 8, Township 28N, Range 9W, NMPM, San Juan County, New Mexico.

Yours very truly,

DELHI-TAYLOR OIL CORPORATION



R. G. Carlin

RGC/jj

cc: Mr. Quilman Davis
Aztec Oil & Gas Co.

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

1956 OCT 15 AM 8:54
QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

October 11, 1956

Air Mail

Mr. Warren Mankin
New Mexico Oil Conservation Commission
P. O. 871
Santa Fe, New Mexico

Dear Warren:

Enclosed is Aztec's application in duplicate covering the non-standard drilling location in Section 8, Township 28 North, Range 9 West, N.M.P.M., San Juan County, New Mexico, which I discussed with you over the telephone today.

Roland Hamlin is sending El Paso's consent to the Commission today. I talked to Russ Carlin with Delhi-Taylor and their consent will be in the mail either today or tomorrow.

I would appreciate your calling me collect as soon as this application is approved.

With kindest personal regards, I am

Yours very truly,

Quilman

Called Quilman Collect on 10/12/56

QBD/ba
Encs.

MAIN OFFICE OCC
El Paso Natural Gas Company

1956 OCT 15 AM 8:53 *El Paso, Texas*

October 12, 1956

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

Gentlemen:

We have been informed that Aztec Oil and Gas Company desires to drill a Pictured Cliffs well 2000' from the east line and 100' from the south line of Section 8, Township 28 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. The Commission has previously approved the East 3/4 of Section 8 as an unorthodox proration unit by Order R-658.

El Paso Natural Gas Company has gas operating rights to the base of the Mesaverde formation on the E/2 E/2 of Section 8 and the E/2 of Section 17 of this same township. We have no objection to this unorthodox location.

El Paso is communitizing its acreage in Section 8 with Aztec so that the East 3/4 of Section 8 will be properly pooled and dedicated for this well.

Yours very truly,

R L Hamblin

R. L. Hamblin, Manager
Lease Department

RLH:ms

cc: Mr. Quilman Davis
Aztec Oil and Gas Co.
920 Mercantile Securities Bldg.
Dallas 1, Texas