

MAIL ROOM
150 APR 27 PM 10
AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS
April 23, 1959

lots in
Conservation
& type order

NWU - 328
(waiver)

REGISTERED 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 Exception to Rule 6(A)
of Order No. R-565-C for Admini-
strative Approval of a Non-Standard
Gas Proration Unit in the Aztec-
Pictured Cliffs Gas Pool,
San Juan County, New Mexico.

Dear Mr. Porter:

Pursuant to Rule 6(B), of the special rules pertaining to the Aztec-Pictured Cliffs Gas Pool, of Order No. R-565-C, Aztec Oil & Gas Company (hereinafter called "Applicant") hereby submits its application for an exception to Rule 6(A) of such rules of Order No. R-565-C, and it requests administrative approval of a non-standard gas proration unit comprising all of Lots 13, 14, 19 & 20, or what may be known as the SE $\frac{1}{4}$, Section 31, Township 29 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. It is further requested that pursuant to Rule 9 of said special rules of Order No. R-565-C, as amended by Rule 9 of Order No. R-967, and upon approval of such non-standard proration unit, Applicant be granted an allowable for such well in the ratio which the area of the non-standard proration unit bears to a proration unit of 160 acres; i.e. 152.8/160.

In support of this request for a non-standard proration unit, Applicant respectfully states and shows the following:

- (1) The unorthodox size of the proration unit is due to a variation in legal subdivision of the United States Public Land Surveys.
- (2) The proposed non-standard proration unit is substantially in the form of a square and consists of contiguous quarter-quarter sections and/or lots.
- (3) The non-standard gas proration unit lies

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wholly within a single governmental section.

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

(5) Applicant owns all of the acreage within the section on which is located the proposed non-standard unit as is indicated on Exhibit "A" attached hereto and by reference made a part hereof.

(6) So far as is known to Applicant, Delhi-Taylor Oil Corporation is the only operator that owns acreage outside of the section in which the unit is located but which acreage is offsetting this non-standard unit, and such operator has been furnished a copy of this application with the request that it forward its approval of this non-standard gas proration unit directly to the Commission in order to expedite approval.

On April 1, 1959, Applicant furnished Form 9-331-A to the State of New Mexico, and it was erroneously stated in this Form that the drilling unit for the Cain No. 7 Well contained 160 acres. The United States Geological Survey, on April 3, 1959, was also incorrectly notified that the drilling unit contained 160 acres. By a copy of this application, Applicant is likewise notifying the United States Geological Survey of this error, and of its request for a non-standard proration unit for the Cain No. 7 Well.

WHEREFOR, Aztec Oil & Gas Company respectfully requests that the Secretary-Director of the Commission by administrative approval grant an exception to Rule 6(A) of the special rules for the Pictured Cliffs Gas Pool of Order No. R-565-C, without notice and hearing, approving the non-standard gas proration unit set forth above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By


Gordon L. Llewellyn,
Attorney

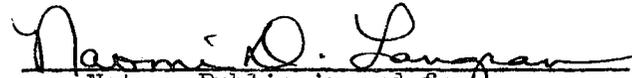
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STATE OF TEXAS)
)
COUNTY OF DALLAS)

Gordon L. Llewellyn, being first duly sworn, hereby states that he is the 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.


Gordon L. Llewellyn

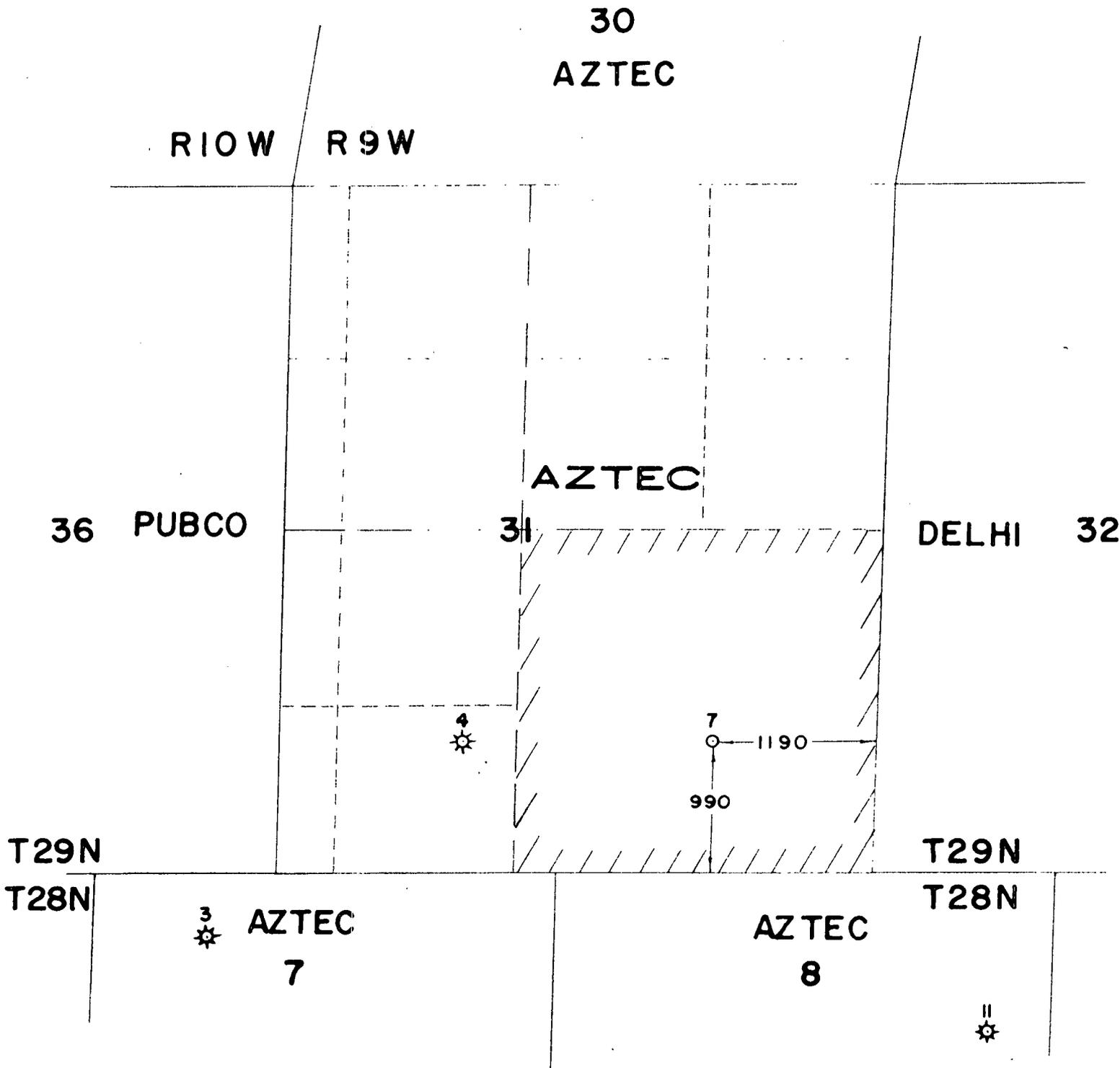
Sworn to and subscribed before me, the undersigned authority, on this 23rd day of April, 1959.


Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1959

Exhibit "A"



PLAT

Accompanying application for 152.80 acre
 Non-Standard Gas Unit
 Aztec Oil & Gas Company's Cain No. 7
 SE 1/4 Section 31-29N-9W (Aztec Pictured
 Cliffs Pool)

SCALE 1" = 1000'

AZTEC OIL & GAS CO.

DELHI-TAYLOR OIL CORPORATION
CORRIGAN TOWER
DALLAS 1, TEXAS

1959 APR 27 AM 6

April 24, 1959

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

Attention Mr. A. L. Porter

Gentlemen:

We have received this date a copy of an application filed by Aztec Oil and Gas Company requesting administrative approval by the New Mexico Oil Conservation Commission of a non-standard gas proration unit in the Aztec Pictured Cliff Gas Pool, San Juan County, New Mexico, the unit being the SE/4 of Section 31, T 29 N, R 9 W, San Juan County, New Mexico.

Delhi-Taylor has no objection to this non-standard proration unit and we recommend that the unit be given your approval.

Very truly yours,



Henry Kerr

HK/TC:m

cc: Aztec Oil and Gas Company
920 Mercantile Securities Bldg.
Dallas 1, Texas