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AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

August 17, 1960

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(waiting period)
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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

Re: Application of Aztec Oil & Gas Company for Administrative Approval

- A. for an exception to Rule 3 of Order R-565-C approving an unorthodox Drilling Location in the Fulcher Kutz-Pictured Cliffs Gas Pool, and an exception to Rule 2(a)(1) of Order R-1287 approving an unorthodox Drilling Location in an undesignated Dakota Gas Area;
- B. for an exception to Rule 6(a) of Order R-565-C approving a Non-Standard Production Unit in the Fulcher Kutz-Pictured Cliffs Gas Pool and an exception to Rule 1(a) of Order R-1287 approving a Non-Standard Unit in an undesignated Dakota Gas Area, San Juan County, New Mexico.

Dear Mr. Porter:

A.

Pursuant to Rule 1(b) of Order R-1287 and to Rule 4 of Order R-565-C, Aztec Oil & Gas Company hereby submits, in triplicate, its application for administrative approval of exceptions to the well location regulations set forth in Orders R-1287 and R-565-C and requests administrative approval of an unorthodox drilling location in the Northeast Quarter (NE $\frac{1}{4}$) of Section 6, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico.

August 17, 1960

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

1. The proposed unorthodox drilling location has been staked two thousand four hundred and fifty feet (2,450') from the East line and one thousand one hundred and seventy-five feet (1,175') from the North line of Section 6. This unorthodox location is necessitated by topographical conditions, and El Paso Natural Gas Company, the only operator of offsetting leases or leases within the section has been furnished a copy of this Application by registered mail along with a request that it waive notice and hearing.

2. Applicant intends to drill a well on the unorthodox drilling location, if approved, to be known as the Hanks #15-D Well.

3. Applicant plans to dually complete the proposed well as a gas well producing from the Pictured Cliffs and Dakota formations. Such well will be within the defined limits of the Fulcher Kutz-Pictured Cliffs Gas Pool and in an undesignated Dakota Area.

B.

Pursuant to Rule 6(B) of Order R-565-C and Rule 1(b) of Order R-1287, Applicant hereby submits its application for administrative approval of non-standard gas units consisting of Lots 8, 9, 14, 15 of Section 6, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico with respect to production from the Pictured Cliffs formation and Section 6: E $\frac{1}{2}$, T-27-N, R-9-W, N.M.P.M., San Juan County, New Mexico with respect to production from the Dakota formation. Applicant further requests that an allowable be granted for production from the Pictured Cliffs formation in the ratio that the area of the non-standard proration unit bears to a proration unit of 160 acres; i.e. 178.84/160.

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

1. The unorthodox size of the non-standard units is due to a variation in the legal sub-divisions of the United States Public Land Survey.

2. The proposed non-standard units consist of contiguous quarter-quarter sections and/or lots and lie wholly within a single governmental section.

3. The entire non-standard units may reasonably be presumed to be productive of gas.

4. The length or width of the non-standard units do not exceed 5280 feet.

5. Applicant owns all of the acreage within the section on which the proposed non-standard units are located. El Paso Natural Gas Company is the only Operator of a lease offsetting such lands, as indicated on Exhibit "A" attached hereto and made a part hereof, and has been furnished a copy of this Application by registered mail, along with a request that it waive notice and hearing.

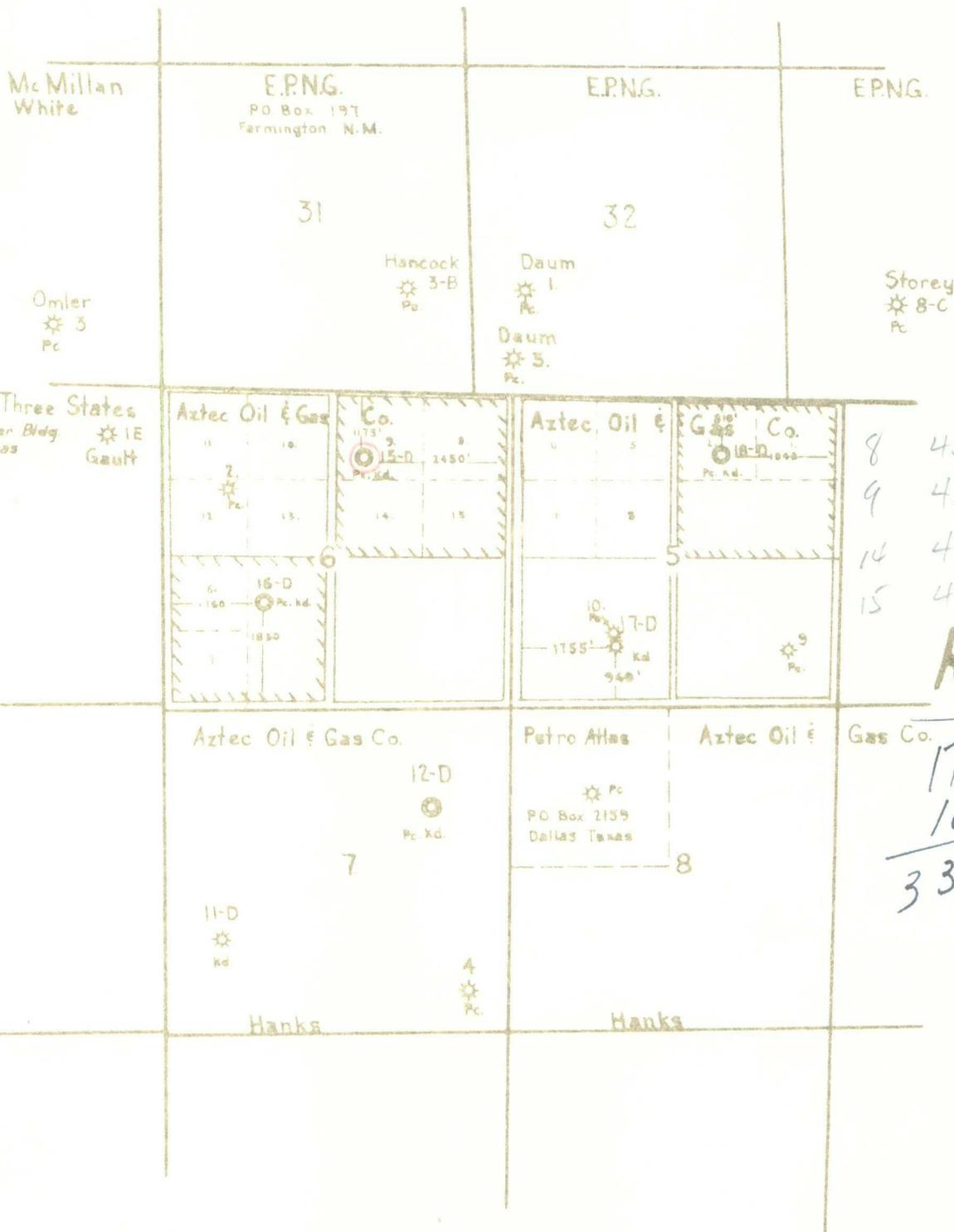
WHEREFOR, Aztec Oil & Gas Company respectfully requests that the Secretary-Director of the Commission by administrative approval grant exceptions as above provided without notice and hearing, approving the unorthodox drilling locations and the non-standard units set forth above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

T-28-N



T-27-N

Single Comp. — *

Dual Comp. — ●

Exhibit - "A"