

TEXACO

INC.

PETROLEUM PRODUCTS



1961 MAY 3 AM 7:47

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. BOX 3109
MIDLAND, TEXAS

May 1, 1961

RE: APPLICATION OF AZTEC OIL AND
GAS COMPANY FOR AN EXCEPTION
TO RULE 2 OF ORDER R-1882 FOR
FOUR NON-STANDARD PRORATION
UNITS IN THE 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 Mr. Porter:

TEXACO Inc., as an offset operator, has been notified of the applications of Aztec Oil and Gas Company for four non-standard proration units in the Totah-Gallup Oil Pool, San Juan County, New Mexico. These non-standard proration units are as follows:

Section 19: Lot 1, NE/4 NW/4, NW/4 NE/4
(containing 85.68 acres, more or less)
Section 19: Lot 2, SE/4 NW/4, SW/4 NE/4
(containing 85.82 acres, more or less)
Section 19: Lot 3, NE/4 SW/4, NW/4 SE/4
(containing 85.98 acres, more or less)
Section 19: Lot 4, SE/4 SW/4, SW/4 SE/4
(containing 86.12 acres, more or less)

All of which are located in township 29 North, Range 13 West, San Juan County, New Mexico.

This is to advise that TEXACO Inc., as an offset operator, has no objections to these proposed non-standard proration units and hereby waives all objections to the granting of an order approving these NSP units.

Very truly yours,

R. M. Bischoff
Assistant to Division Manager

JERjr.-MM

cc: Aztec Oil and Gas Co.

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

April 11, 1961

1961 APR 17 PM 1:08

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NSP - 559
560
NWU - 407

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 Non-Standard Proration
Units in the Totah-Gallup Oil Pool,
San Juan County, New Mexico

Dear Mr. Porter:

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:

T-29-N, R-13-W, N.M.P.M., San Juan County, New Mexico

Section 19: Lot 1, $NE\frac{1}{4}NW\frac{1}{4}$, $NW\frac{1}{4}NE\frac{1}{4}$

(containing 85.68 acres, more or less)

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

1. Applicant, as lessee under various oil and gas leases, owns the rights to drill to and produce oil and gas from the Gallup formation underlying all of Sections 18 and 19, T-29-N, R-13-W, N.M.P.M., with the exception of the $NE\frac{1}{4}NE\frac{1}{4}$ of Section 19, which is operated by Texaco, Inc. Both of these sections, because of variance in the United States Public Lands Survey, contain less than the customary 640 acres. The Cadastral Survey shows that Section 18 contains 501 acres, and Section 19 contains 503.6 acres. This discrepancy has been adjusted by designating four lots along the west line of both sections, each containing approximately five acres. In each section the remaining quarter-quarter sections, comprising the $E\frac{1}{2}W\frac{1}{2}$ and $E\frac{1}{2}$, contain the customary 40 acres.

April 11, 1961

In an effort to develop production from the Gallup formation under Sections 18 and 19 in a manner consistent with previous drilling in the Totah-Gallup Oil Pool, varying as little as possible from the normal 80-acre proration unit and providing a spacing pattern which will efficiently and realistically drain such units, Applicant proposes to designate proration units comprised of the $E\frac{1}{2}$ of the $NE\frac{1}{4}$ and $E\frac{1}{2}$ of the $SE\frac{1}{4}$ of each section. A tier of proration units having their longitudinal axis oriented east and west consisting of two normal quarter-quarter sections and the adjoining Lot will constitute the basis for reasonable acreage allocation to the wells necessary for completing the development of each section. This Application, along with the seven other applications filed concurrently herewith, request approval of the non-standard proration units constituting such tier.

2. Rule 4 of Order R-1882 provides authority for the Secretary-Director to grant approval of non-standard proration units "...without notice and hearing where an Application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey..."

Applicant therefore respectfully requests that this Application be promptly considered, that approval be administratively granted pursuant to Rule 4 of Order R-1882 for the non-standard proration unit above described and that an allowable be designated therefor as prescribed by Rule 6 of Order R-1882.

In the alternative, should administrative approval, as above requested, not be granted, Applicant respectfully further states and shows the following:

3. Exhibit "A", attached hereto and made a part hereof, is a plat of Sections 18 and 19 showing the proposed non-standard proration units, the operator, other than Applicant, within Section 19 and the offsetting operators, all of whom have been furnished copies of this Application and have been requested to waive notice and hearing by consenting in writing to the approval thereof.

4. The entire non-standard unit described above may be presumed to be productive of oil from said pool.

Alternatively, Applicant respectfully requests that this Application be set for early hearing and promptly considered, that approval be granted for the non-standard proration unit above described and

Mr. A. L. Porter

-3-

April 11, 1961

that an allowable be designated therefor as prescribed by Rule 6 of Order R-1882.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

KAS/et

AZTEC OIL & GAS COMPANY
926 MERCANTILE SECURITIES BUILDING
DALLAS-1, TEXAS

April 11, 1961

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Texaco, Inc.
P. O. Box 810
Farmington, New Mexico

Re: Application of Aztec Oil & Gas Company
for an Exception to Rule 2 of Order
R-1882 Approving Non-Standard Protraction
Units in the Totah-Gallup Oil Pool,
San Juan County, New Mexico

Gentlemen:

Enclosed for your information and approval are four copies
of applications referring to the captioned.

In order to expedite approval of these applications, we would
appreciate your forwarding your consent in the form of a waiver
for each of these applications to the New Mexico Oil Conservation
Commission, furnishing us a copy of each.

Yours very truly,

KAS/et
Enclosures (4)

cc: New Mexico Oil Conservation Commission

