MAIN OFFICE OCC

1955 APR 2 AN 8:44

March 16, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas, Texas

> Re: Application for a common Tank Battery and the commingling of oil from separate state leases

### Gentlemen:

In accordance with Rule 309(b) of the Rules and Regulations of the State of New Mexico Oil Conservation Commission, the undersigned hereby give their consent to the construction of a common tank battery on the  $SW_{4}^{1}NW_{4}^{1}$  of Section 3, T-19-S, R-37-E, N.M.P.M. and the commingling of oil produced from two separate state leases insofar as they embrace the  $NW_{4}^{1}$  of Section 3, T-19-S, R-37-E, N.M.P.M. The two leases involved are E-9122 and E-6424.

Yours very truly,

CONTINENTAL OIL COMPANY

Affination .

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> Re: Application for a common Tank Battery and the commingling of oil from separate state leases

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Yours very truly,

SHELL OIL COMPANY

MAN OFFICE COC

APPLICATION OF PRINCIPLE ATTORNEY

### AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

March 30, 1956

Mr. A. L. Porter, Secretary-Director New Mexico Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Dear Pete:

There is enclosed Aztec's application in duplicate for an exception to Rule 309(a). We would like to be able to add tankage to the current battery for our State E-3 well immediately upon completion of the east offset, therefore, your prompt action on our application will be greatly appreciated. Should you have any questions, please call me collect.

I was very pleased to hear that you had assumed the duties of the Secretary-Director of the Commission, and I want to wish you the best of luck and success.

With best personal regards, I am

Yours very truly,
Skilman Sava

QBD/ba Enclosures

### AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

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QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

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March 30, 1956

Mr. A. L. Porter, Secretary-Director New Mexico Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

> Re: Application of Aztec Oil & Gas Company for an exception to Rule 309(a) to permit common tankage for certain lands under its State of New Mexico leases E-9122 and E-6424.

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its application for administrative approval for authority to construct a common tank battery at a location in the Southwest 1/4 of Northwest 1/4 of Section 3, Township 19 South, Range 37 East, Lea County, New Mexico, and commingle the production of oil from State of New Mexico oil and gas leases E-9122 and E-6424 insofar as they cover the Northwest 1/4 of Section 3, Tewnship 19 South, Range 37 East.

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

- 1. The two State leases, E-9122 and E-6424, involved are dedicated to a common benificiary, (i.e.; D.D.B.).
- 2. Aztec's State E-3 well, located in the  $SW_{\frac{1}{4}}^{\frac{1}{4}} NW_{\frac{1}{4}}^{\frac{1}{4}}$  of Section 3 is producing from the Queen formation and its east offset in the  $SE_{\frac{1}{4}}^{\frac{1}{4}} NW_{\frac{1}{4}}^{\frac{1}{4}}$  is expected to be completed within the next few days in the same formation. Aztec agrees that the common tankage request will be used only for wells producing from a common source of supply, which in this instance will be the Queen formation. Permission requested in this application will apply only to the four units in the  $NW_{\frac{1}{4}}^{\frac{1}{4}}$  of Section 3, and adequate facilities will be provided for accurately determining the production from each well at reasonable intervals.
- 3. Attached are consents in duplicate from owners of adjoining oil and gas leases, consenting to the proposed commingling of oil from the separate State leases. There is also attached a

letter from the United States with respect to unleased Federal lands consenting to our proposal.

4. Also attached is a letter from the State Land Commissioner approving the commingling of oil from the State of New Mexico leases E-9122 and E-6424 subject to approval by the Oil Conservation Commission.

We respectfully request that you grant this application at the earliest possible date.

Yours very truly,

AZTEC OIL & GAS COMPANY

Quilman B. Davis, General Attorney

STATE OF TEXAS

COUNTY OF DALLAS

Quilman B. Davis, being first duly sworn, hereby states that he is 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.

Sworn to and subscribed before me the undersigned authority this 30th day of March, 1956.

Notary Public in and f Dallas County, Texas

My Commission expires
June 1, 1957

March 20, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Bldg. Sallas 1, Texas

Att: Quilman B. Davis, Secretary and General Attorney

Dear Sir:

Permission is hereby granted to commingle of produced from wells located on State Lease E-9122, SW NW, NE NW of Section 3-195-37E and State Lease E-6124, SE NW, NW NW of Section 3-195-37E. Both of these leases have a common institution with royalties credited to Deaf, Dumb and Blind School. This permission is contingent on obtaining like permission from the Oil Conservation Commission. When reporting production on Production and Royalty Statement Form SLO-111-A please use both of the lease numbers involved so that they may be properly credited.

Sincerely yours,

E. S. WALKER COMMISSIONER OF PUBLIC LANES

LC:ESW:mb

cc: Oil Conservation C ommission

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March 16, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas, Texas

> Re: Application for a common Tank Battery and the commingling of oil from separate state leases

### Gentlemen:

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Yours very truly,

THE TEXAS COMPANY

Asst. Division Manager

# March 16, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas, Texas

> Re: Application for a common Tank Battery and the commingling of oil from separate state leases

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Yours very truly,

TIDE WATER ASSOCIATED OIL CO.

Manager of Production

# March 16, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas, Texas

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Yours very truly,

SHELL OIL COMPANY

MAIN OFFICE OCC

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March 16, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas, Texas

> Re: Application for a common Tank Battery and the commingling of oil from separate state leases

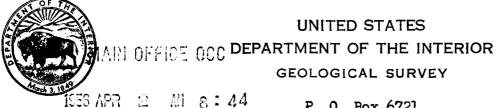
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Yours very truly,

CONTINENTAL OIL COMPANY

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P. O. Box 6721 Roswell, New Mexico

March 21, 1956

Aztec Oil & Gas Company 920 Mercantile Securities Building Dallas 1, Texas

Gentlemen:

Your letter of March 16, 1956, requests our approval of the location of a common tank battery for the NW4 sec. 3, T. 19 S., R. 37 E., N.M.P.M., Lea County, New Mexico, in order to commingle oil from two State leases in said quarter section. The SE4NE4 sec. (4) T. 19 S., R. 37 E., is unleased Federal land.

This office has no objection to the proposed location of a common tank battery and commingling of oil from the State leases in the  $NW_2^4$  sec. 3.

Very truly yours,

JOHN A. ANDERSON
Regional Oil & Gas Supervisor