

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

September 25, 1959

REGISTERED MAIL

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 for an Exception
to Rule 309(a) for Approval of the
Commingling of Oil from two Separate
State of New Mexico Leases in Eddy
and Lea County, New Mexico.

Dear Sir:

Pursuant to Rule 309(b), Aztec Oil & Gas Company, hereinafter referred to as "Applicant", hereby submits in triplicate its application for an exception to Rule 309(a) for approval of commingling into common tankage all oil produced from two separate State of New Mexico leases covering portions of Section 31, Township 16 South, Range 32 East, and Section 36, Township 16 South, Range 31 East, N.M.P.M., Eddy and Lea County, New Mexico. In support of this application, Applicant respectfully states and shows the following:

I.

Applicant proposes to commingle oil produced from the Robinson Pool into a Central Tank Battery which oil will be produced from its State of New Mexico Oil and Gas leases E-8233 and OG-5939.

II.

State of New Mexico Oil and Gas Lease E-8233 covers, among other lands not the subject of this application, the $E\frac{1}{2}SW\frac{1}{4}$ and Lot 4 ($SW\frac{1}{4}SW\frac{1}{4}$) Section 31, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico. State of New Mexico Oil and Gas Lease OG-5939 covers Lot 3 ($NW\frac{1}{4}SW\frac{1}{4}$) Section 31, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and the $E\frac{1}{2}SE\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}$, Section 36, Township 16 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. A plat showing the acreage covered by this application, the offset lease owners, Applicant's wells, and the proposed central tank battery location is attached hereto as Exhibit "A" and by reference made a part hereof. Applicant's State "R" #1 Well has been completed on the $SW\frac{1}{4}SW\frac{1}{4}$ Section 31, Township 16 South, Range 32 East, Lea County, New Mexico. Applicant's State "RC" #2 Well is presently drilling in the $NE\frac{1}{4}SE\frac{1}{4}$ of Section 36, Township 16 South, Range 31 East, Eddy County, New Mexico. The Central Tank Battery will be located adjacent to the State "R" #1 Well.

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III.

Pursuant to Rule 309 (b), Applicant states that:

- (1) Portions of the subject leases are contiguous.
- (2) All production is from the same common source of supply; i.e. Robinson Pool.
- (3) No more than 16 units will be produced into the proposed Central Tank Battery and Applicant proposes to accurately determine production from each well at reasonable intervals by the use of dump type meters.
- (4) Both of the subject leases were issued by the State of New Mexico and the production from both leases is dedicated to a common beneficiary; i.e. Common Schools.
- (5) So far as Applicant has been able to determine, all of the offset leasehold and mineral rights owners have been furnished copies of this application together with a request that they consent to the proposed commingling of oil into a Central Tank Battery.

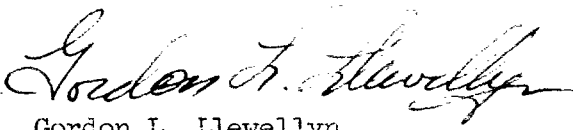
IV.

Since there is no market for the casinghead gas produced from the subject wells, it is being flared except for that portion utilized for lease operations; therefore, no action has been taken to separately measure gas production from the subject leases. At such time as a market is available, Applicant will establish appropriate methods of separately metering such gas production.

WHEREFORE, Aztec Oil & Gas Company respectfully requests that the Secretary-Director of the Commission by administrative approval grant an exception to Rule 309 (a), without notice and hearing, and permit Applicant to commingle the oil produced from the subject leases into a Central Tank Battery as set forth above.

Yours very truly,

AZTEC OIL & GAS COMPANY

By 
Gordon L. Llewellyn
Attorney

New Mexico Oil Conservation Commission

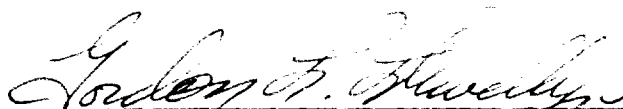
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September 25, 1959

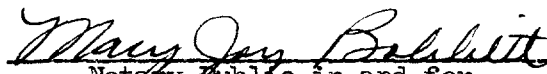
STATE OF TEXAS)

COUNTY OF DALLAS)

Gordon L. Llewellyn, 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.


Gordon L. Llewellyn

Sworn to and subscribed before me the undersigned authority this
25th day of September, 1959.

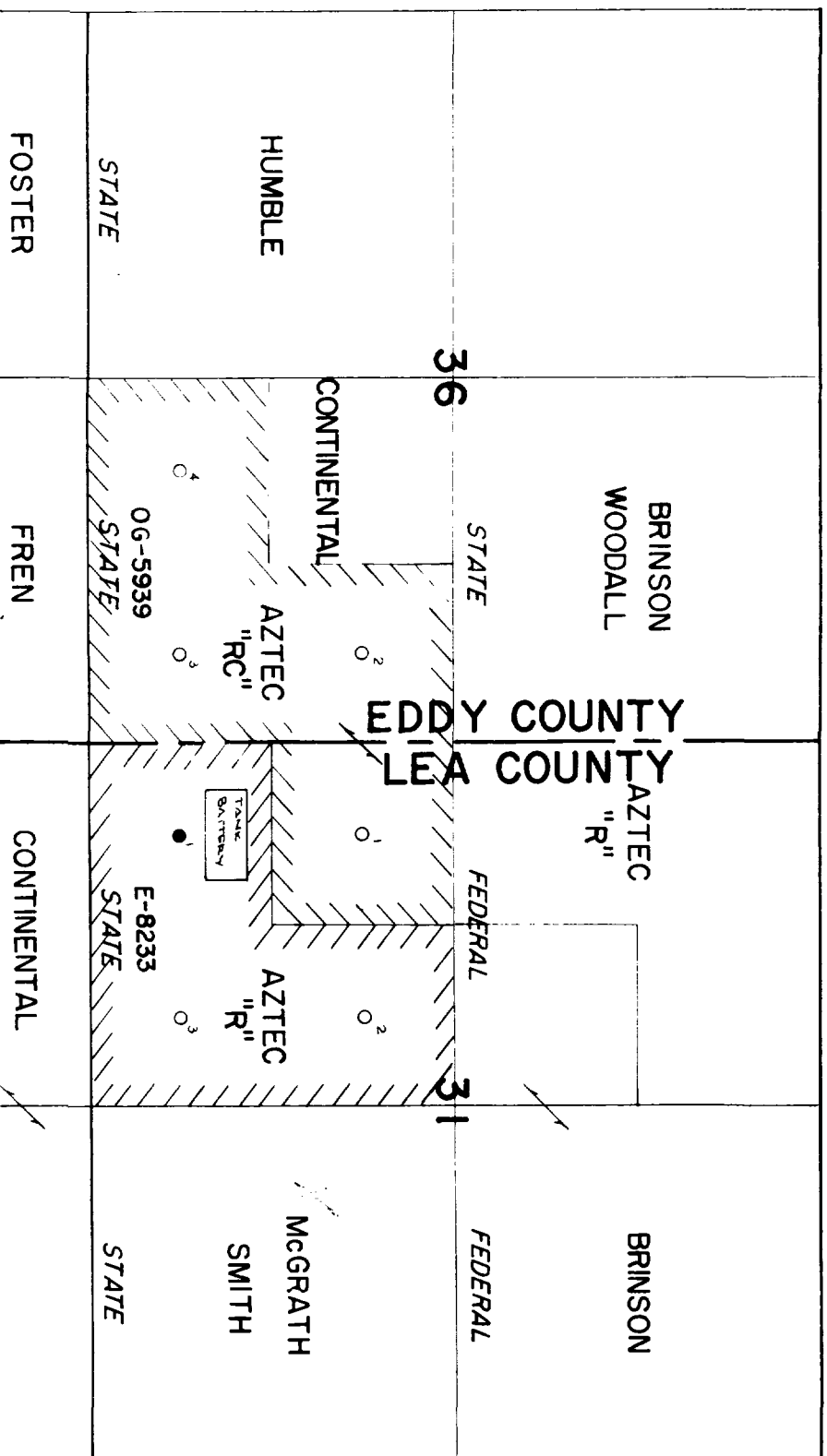

Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1961

AZTEC OIL & GAS COMPANY ROBINSON POOL

Application for exception to RULE 309 (a).



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FEDERAL

FEDERAL

R 31 E

R 32 E

EXHIBIT "A"

McGrath & Smith

209 Petroleum Life Bldg.

Midland, Texas

HOBBS OFFICE OCC

1959 OCT 2 11 21 50

September 30, 1959

New Mexico Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico


Attention: Secretary-Director

Gentlemen:

We waive any objection to your granting an exception to Rule 309(a) and allowing Aztec Oil and Gas Company to commingle the oil into a Central Tank Battery from its State of New Mexico Oil and Gas Leases E-8233 and OG-5939, Lea and Eddy Counties, New Mexico.

Sincerely yours,

McGRATH & SMITH

By: 
Pomeroy Smith

PS:ph

FREN OIL COMPANY

HILLS BUILDING
106-A TEXAS STREET
EL PASO, TEXAS

Walter

October 3, 1959

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 for an Ex-
ception to Rule 309(a), for Approval
of the Co-mingling of Oil from two
Separate State of New Mexico Leases in
Eddy and Lea Counties, New Mexico.

Dear Sir:-

At the request of the Aztec Oil & Gas Company, 920
Mercantile Securities Building, Dallas 1, Texas, we are forwarding
to you herewith our letter of consent to above stated application.

Yours very truly,

FREN OIL COMPANY

By: *Max Enzinger*
Max Enzinger - Partner

me/mf
Encl.-1

FREN OIL COMPANY

HILLS BUILDING
106-A TEXAS STREET
EL PASO, TEXAS

October 3, 1959

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

Re: Application for Co-mingling Oil into
a Central Tank Battery from Two Sepa-
rate State Leases.

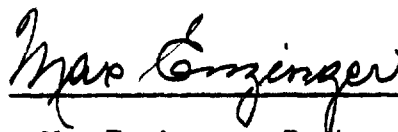
Gentlemen:-

In response to your application for an exception to Rule 309(a), requesting permission to co-mingle oil into a Central Tank Battery produced from Two Separate State of New Mexico Leases E-8233 and OG-5939, located in section 31, 16S.-32E., Lea County & section 36, T.16S.-31E., N.M.P.M., Eddy County, New Mexico, the undersigned hereby give their consent to the utilization of a central tank battery located on the SW/4 SW/4 Section 31, T.16S.-R.32E., N.M.P.M., and also consent to the co-mingling of oil produced from the above named State leases.

Yours very truly,

FREN OIL COMPANY

By:



Max Enzinger - Partner