

Case 575

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

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

Re: Application for Exception to
Rule 6(a) of Order R-565, as
amended, for Establishment of
a Non-Standard Gas Proration Unit,
Fulcher Kutz-Pictured Cliffs Gas
Pool, San Juan County, N. M.

Gentlemen:

Aztec Oil & Gas Company (hereinafter referred to as "Applicant"), hereby submits this application for itself and on behalf of Summit Oil Company for approval of a non-standard gas proration unit, comprising the South half of the Southeast quarter (S¹/₂, SE¹/₄) of Section 20 and the North half of the Northeast quarter (N¹/₂, NE¹/₄) of Section 29, all in Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, as reflected on the plat attached hereto.

In support of this application, Applicant respectfully states and shows as follows:

1. That Applicant's Faverino No. 1 well, located 330 feet from the South line and 990 feet from the East line of Section 20, Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, was completed on May 13, 1947, and connected to Southern Union Gas Company's pipe line on January 22, 1948.
2. That the proposed non-standard gas proration unit consists of 160 acres which are contiguous quarter-quarter sections.
3. In the opinion of Applicant, the entire non-standard gas proration unit requested herein may reasonably be presumed to be productive of gas from the Pictured Cliffs formation.
4. That under date of February 25, 1947, Southern Union Production Company (previous owner of the lease now held by Aztec) and Summit Oil Company entered into a Communitization Agreement forming the unit herein proposed, said Communitization Agreement having been approved by the Department of the Interior on April 30, 1947.
5. That unless the proposed non-standard gas proration unit is approved by the Commission, Applicant and Summit Oil Company will be deprived of the opportunity to recover their just and equitable share of gas from the reservoir.

THEREFORE, Applicant respectfully requests that this matter be set down for hearing before the Commission; that notice thereof be given, as required by law and the regulations of the Commission; and that upon final hearing, the Commission issue its Order approving the non-standard gas proration unit, as requested in this application.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis
Its Attorney

STATE OF TEXAS

COUNTY OF DALLAS

Quilman B. Davis, being first duly sworn, hereby states that he is the attorney for Aztec Oil & Gas Company, Applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read the application, and to the best of his knowledge, information and belief, all statements of fact therein contained are true and correct, and that a copy of this application was duly deposited on April 19, 1955, in the United States Post Office, addressed to the parties listed below as receiving a carbon copy of this application.

Quilman B. Davis
Quilman B. Davis

Sworn to and subscribed before me, the undersigned authority, this 19th day of April, 1955.

Helen S. Tompkins
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955

cc: Summit Oil Company
Burt Building
Dallas, Texas