

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 893  
Order No. R-665

THE APPLICATION OF AZTEC OIL & GAS  
COMPANY FOR AN ORDER GRANTING  
APPROVAL OF AN EXCEPTION PURSUANT  
TO RULE 6 (a) OF THE SPECIAL RULES AND  
REGULATIONS FOR THE FULCHER KUTZ-  
PICTURED CLIFFS GAS POOL OF ORDER  
NO. R-565 IN ESTABLISHMENT OF A NON-  
STANDARD GAS PRORATION UNIT OF 160  
CONTIGUOUS ACRES CONSISTING OF S/2  
SE/4 SECTION 20 AND N/2 NE/4 SECTION 29,  
TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on May 18, 1955 and June 28, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 14<sup>th</sup> day of July, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That pursuant to provisions of Rule 6 (a) of the Special Rules and Regulations for the Fulcher Kutz-Pictured Cliffs Gas Pool of Order No. R-565, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.
- (3) That applicant, Aztec Oil and Gas Company, is the owner of an oil and gas lease in San Juan County, New Mexico the land consisting of other than a legal quarter section, and described as follows, to-wit:

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S/2 SE/4 Section 20  
N/2 NE/4 Section 29

containing 160 acres, more or less.

(4) That applicant, Aztec Oil and Gas Company has a producing well on the aforesaid lease known as Faverino Well No. 1, located 330 feet from the South line and 990 feet from the East line of Section 20, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(5) That the aforesaid well was completed and in production prior to December 23, 1954, the effective date of Order No. R-565, and is located within the horizontal limits of the pool heretofore delineated and designated as the Fulcher Kutz-Pictured Cliffs Gas Pool.

(6) 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.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Fulcher Kutz-Pictured Cliffs Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Aztec Oil and Gas Company for approval of a non-standard proration unit consisting of the following described acreage:

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S/2 SE/4 Section 20  
N/2 NE/4 Section 29

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Faverino No. 1, located in the SE/4 SE/4 of Section 20, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, shall be granted an allowable for a 160 acre unit in accordance with the pool rules, all until further order of the Commission.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*W. B. Macey*  
W. B. MACEY, Member and Secretary

