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AZTEC OIL & GAS COMPANY (MAIN OFFICE) C/O
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

RECEIVED OCT 25 1941

Case 1941

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

12-7

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 its application for approval of a non-standard gas proration unit comprising the Southwest quarter of the Southwest quarter ($SW\frac{1}{4}$, $SW\frac{1}{4}$) of Section 17, the Southeast quarter of the Southeast quarter ($SE\frac{1}{4}$, $SE\frac{1}{4}$) of Section 18, the Northeast quarter of the Northeast quarter ($NE\frac{1}{4}$, $NE\frac{1}{4}$) of Section 19 and the Northwest quarter of the Northwest quarter ($NW\frac{1}{4}$, $NW\frac{1}{4}$) of Section 20, 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 the following:

1. That Applicant's McDaniels No. 1 well, located 230 feet from the North line and 280 feet from the East line of Section 19, Township 29 North, Range 11 West, N.M.P.M., San Juan County, New Mexico, was completed on September 25, 1941, and thereafter connected to the pipe line system of Southern Union Gas Company on October 25, 1941.
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. Applicant owns the entire working interest in the proposed non-standard gas proration unit.
5. It is impracticable to form a standard gas proration unit for Applicant's McDaniels No. 1 well because of other wells heretofore drilled and completed as gas wells in the East half of Section 19.

6. That unless the non-standard gas proration unit, as requested herein, is approved by the Commission, Applicant will be deprived of the opportunity to recover its 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.

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

My Commission Expires:

June 1, 1955

cc: Mr. H. E. Krause
Santa Fe, New Mexico

Summit Oil Company
Burt Building
Dallas, Texas

E. L. and T. F. Harrigan
3400 North Western
Oklahoma City, Oklahoma

L. G. Stearns
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