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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
AZTEC OIL & GAS COMPANY FOR APPROVAL)
OF AN UNORTHODOX GAS PRORATION UNIT)
IN THE EUMONT POOL, LEA COUNTY, NEW)
MEXICO)

CASE NO. 619

APPLICATION

The undersigned Applicant, Aztec Oil & Gas Company, respectfully petitions the Commission for the issuance of an order approving an unorthodox gas proration unit in the Eumont Gas Pool comprising the $E\frac{1}{2}$ of the $SW\frac{1}{4}$ and the $NW\frac{1}{4}$ of the $SE\frac{1}{4}$ of Section 27, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, as depicted on the plat attached hereto as Exhibit "A", and containing 120 acres, more or less.

In support of this application, Applicant alleges and states:

1. That Applicant is a corporation organized under the laws of the State of Delaware and is qualified to transact business in the State of New Mexico. Its principal place of business is located at 1104 Burt Building, Dallas, Texas, and it also maintains an office at Hobbs and Farmington, New Mexico.

2. That Applicant acquired from Stanolind Oil and Gas Company State of New Mexico Oil and Gas Lease B-9130, insofar as it covers the $SE\frac{1}{4}SW\frac{1}{4}$ of Section 27, Township 19 South, Range 37 East, N.M.P.M., subject to the terms and conditions of an operating agreement with Stanolind Oil and Gas Company covering said lands.

3. That Applicant also acquired from J. C. Maxwell, Inc. State of New Mexico Oil and Gas Lease B-9130, insofar as it covers the $NE\frac{1}{4}$ of the $SW\frac{1}{4}$ and the $NW\frac{1}{4}$ of the $SE\frac{1}{4}$ of Section 27, Township 19 South, Range 37 East, N.M.P.M., subject to the terms and conditions of an operating agreement with J. C. Maxwell, Inc. covering said lands.

4. That Applicant's predecessor, Southern Union Gas Company, pooled the respective interest of Stanolind Oil and Gas Company and J. C. Maxwell, Inc. in the above described lands and subsequently drilled and completed its Maxwell-State No. 1 gas well thereon at a location 1650' North of the South

line, and 2310' East of the West line of Section 27, Township 19 South, Range 37 East, N.M.P.M. This well is presently connected to the gathering system of Southern Union Gas Company.

5. That Southern Union Gas Company and Applicant have been unable to effectively pool the above lease so as to form an orthodox proration unit.

6. That Applicant's well is a marginal well and approval of the proposed unorthodox gas proration unit will not seriously affect or jeopardize future drilling, if any, in the area.

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 enter its order approving the unorthodox gas proration unit as requested by Applicant in this application.

Respectfully submitted,

AZTEC OIL & GAS COMPANY

By Q. B. Davis
Its Attorney

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

Subscribed and sworn to before me by Quilman B. Davis, Attorney of Aztec Oil & Gas Company, the above named Applicant, this 10th day of November, 1953.

Naomi D. Langston
Notary Public in and for
Dallas County, Texas

My Commission Expires:

June 1, 1955