

**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. 620
Order No. R-524**

**THE APPLICATION OF AZTEC OIL AND
GAS COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 120 CONTIGUOUS ACRES
CONSISTING OF THE SW/4 NW/4 OF SECTION
27, and the E/2 NE/4 OF SECTION 28, TOWN-
SHIP 19 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE EUMONT GAS
POOL.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

**This cause came on for hearing at 9 o'clock a.m., on
December 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation
Commission, hereinafter referred to as the "Commission".**

**NOW, on this 2nd day of September, 1954, 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 7 (a) of Order No.
R-370-A, 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 Lea County, New Mexico the land consisting of other
than a legal quarter section, and described as follows, to-wit:**

**TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
SW/4 NW/4 of Section 27 and E/2 NE/4 of Section 28**

containing 120 acres, more or less.

**(4) That applicant, Aztec Oil and Gas Company, has a
producing well on the aforesaid lease known as Burk No. 2, located 1980'
from the North line and 660' from the East line of Section 28, Township 19
South, Range 37 East.**

(5) That the aforesaid well was completed and in production prior to January 1, 1954, the effective date of Order No. R-370-A, and is located within the limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That the applicant has not attempted to pool or communitize its said lease with adjoining acreage in NE/4 of Section 27.

(7) That Gulf Oil Corporation owns acreage adjoining the applicant's lease, said acreage consisting of N/2 NW/4 and W/2 NE/4 of Section 27; that Humble Oil and Refining Company also owns acreage adjoining applicant's lease, said acreage consisting of SE/4 NW/4 of Section 27.

(8) That Gulf Oil Corporation and Humble Oil and Refining Company have each specifically protested and objected to the proposed proration unit of 120 acres applied for by the applicant.

(9) That there is no showing made 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 in the Eumont Gas Pool, or that such a unit is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

That the application of Aztec Oil and Gas Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
SW/4 NW/4 of Section 27 and E/2 NE/4 of Section 28

be, and the same is hereby disapproved and denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

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