

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

March 21, 1958

REGISTERED MAIL

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Aztec EXHIBIT No. 1
1416

Mr. A. L. Porter, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Aztec Oil & Gas Company for an Exception to Rule 104 (d) and Section 1(c) of Order No. R-110, as amended by Order R-397, for Approval of a Non-Standard Drilling Location in the Blanco Mesaverde Gas Pool, San Juan County, New Mexico.

Dear Mr. Porter:

Pursuant to Section 13 of Order R-110, Aztec Oil & Gas Company hereby submits its application for an exception to the well location regulations set forth in Statewide Rule 104(d) and Section 1(c) of Order No. R-110, as amended by Order R-397, and requests approval of a non-standard drilling location in the Northwest Quarter (NW $\frac{1}{4}$) of Section 30, Township 32 North, Range 12 West, N.M.P.M., San Juan County, New Mexico.

In support of this application, Aztec Oil & Gas Company respectfully states and shows the following:

1. The proposed non-standard drilling location has been staked one thousand eight hundred and fifty feet (1,850') from the North line and one thousand nine hundred and fifty feet (1,950') from the West line of Section 30, Township 32 North, Range 12 West, N.M.P.M., San Juan County, New Mexico. This non-standard location for the NW $\frac{1}{4}$ rather than for the prescribed Northeast or Southwest quarter sections is requested because our Culpepper-Martin #2 well which is located in the Southeast Quarter (SE $\frac{1}{4}$) of said Section 30 was completed October 22, 1951, as a discovery well and the only well in the West Blanco Dakota Pool. Because this well was depleted in the West Blanco Dakota pool, the Culpepper-Martin #2 well was then recompleted on September 27, 1956, in the Blanco Mesaverde Gas Pool at its non-standard location. It is the intention of Aztec Oil & Gas Company to dedicate the West half of said Section 30 as the drilling unit for

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the proposed well; therefore, in order to have the well spacing consistent and to provide for proper drainage of the Section, permission for this non-standard location in the Northwest is requested. It is further requested that permission be granted to locate the well less than seven hundred and ninety feet (790') from the eastern outer boundary of the NW $\frac{1}{4}$ section of said Section 30 because of topographical conditions existing on the proposed drilling block. For your information, the East half of said Section 30, is held by Applicant and presently dedicated to Well #2.

2. Aztec Oil & Gas Company intends to drill a well on the non-standard drilling location, if approved, to be known as the Culpepper-Martin #9 well.

3. The proposed well will be a gas well completion and will be within the defined limits of the Blanco Mesaverde Gas Pool.

4. So far as is known to Aztec Oil & Gas Company, the following Operators own mineral rights on the acreage offsetting the proposed well:

- (a) El Paso Natural Gas Company (Section 19, T-32-N, R-12-W)
- (b) Anderson-Prichard Oil Corporation (Section 31, T-32-N, R-12-W)
- (c) Southern Union Gas Company (Sections 24, 25, 26, T-32-N, R-13-W)

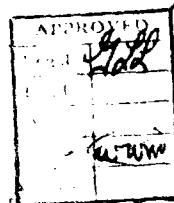
A copy of this application has been sent to each of the above parties by registered mail with a request that their approval by waiver be sent to Aztec Oil & Gas Company.

Pursuant to Statewide Rule 1203, Aztec Oil & Gas Company respectfully requests that a hearing be set before an Examiner as soon as possible at Santa Fe, New Mexico, to consider the request for approval of the non-standard location hereinabove set forth.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Quilman B. Davis
Quilman B. Davis,
General Attorney



STATE OF TEXAS)
COUNTY OF DALLAS)

Quilman B. Davis, being first duly sworn, hereby states that he is the attorney of Aztec Oil & Gas Company, the applicant in the foregoing application; that he has executed said application on behalf of Aztec Oil & Gas Company; that he has read said application and to the best of his knowledge, information and belief, all statements of fact contained therein are true and correct.

Quilman B. Davis
Quilman B. Davis

Sworn to and subscribed before me, the undersigned authority, on this 21st day of March, 1958.

My Commission Expires:

June 1, 1959

Quilman B. Davis
Notary Public in and for
Dallas County, Texas