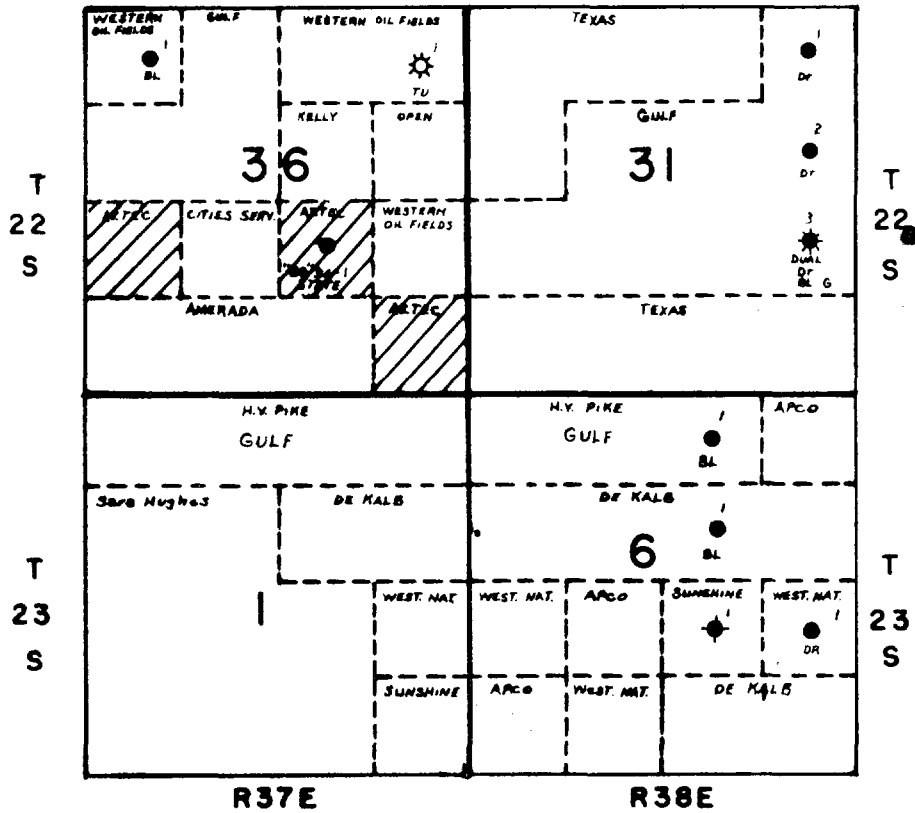


EXHIBIT "A"  
AZTEC OIL & GAS COMPANY

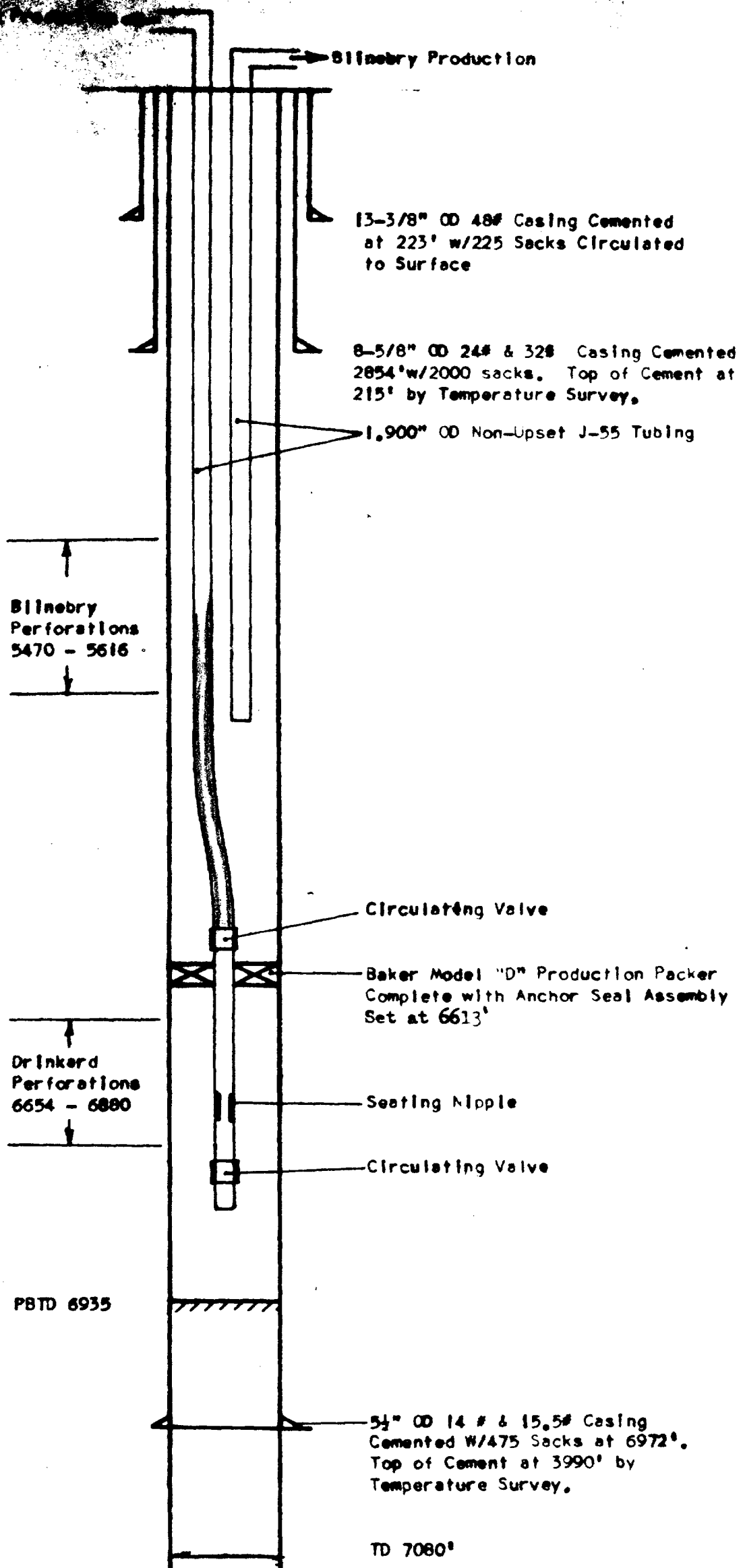
R 37E STATE "BD" 36 NO. 1 R 38E



LEA CO., N.M.

1 MI.

*Handwritten notes:*  
C...  
State...  
Br  
8



SCHEMATIC DIAGRAM OF PROPOSED DUAL COMPLETION  
 AZTEC OIL & GAS COMPANY  
 STATE BD-36 NO. 1  
 NW SE SEC. 36-T22S-R37E, LBA COUNTY, NEW MEXICO

EXHIBIT "B"

DOCKET: EXAMINER HEARING JULY 2, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 354: In the matter of the application of Skelly Oil Company to amend Order No. R-179-A. Applicant, in the above-styled cause, seeks an order amending Order No. R-179-A to permit the transfer of allowables from water injection wells to producing wells on the same basic lease and to establish a lease allowable for its H. O. Sims pilot water flood project in the Penrose-Skelly Pool in Lea County, New Mexico, to enable the production of six times the normal unit allowable from any well or wells in said project.
- CASE 1475: Application of Sinclair Oil and Gas Company for permission to commingle oil from two separate pools in common storage. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Kemnitz-Wolfcamp Pool and Kemnitz-Pennsylvanian Pool production from its State Lea 692 Well No. 1 located 660 feet from the South lines of Section 24, Township 16 South, Range 33 East, Lea County, New Mexico.
- CASE 1476: Application of Austral Oil Exploration Company for permission to commingle production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Townsend-Wolfcamp Pool production from its W. M. Snyder "D" Lease, comprising Lots 5 and 6, and its W. M. Snyder "E" Lease, comprising Lot 2 of Section 6, all in Township 16 South, Range 36 East, Lea County, New Mexico. Applicant proposes to measure the production from each of the above-described leases by means of metering separators.
- CASE 1477: In the matter of the application of Amerada Petroleum Corporation for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Ida Wimbeley No. 4 Well located 660 feet from the South line and 990 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Fusselman formation adjacent to the Justis-Fusselman Pool through parallel strings of 2-3/8" tubing.
- CASE 1478: In the matter of the application of R. Olsen Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the N/2 NW/4, SW/4 NW/4, and NW/4 SW/4 of Section 25, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1294:

Application of Ambassador Oil Corporation for an order amending Order No. R-1053. Applicant, in the above-styled cause, seeks an order amending Order No. R-1053 to approve a development pattern for the entire water flood project operated by the applicant in the Caprock-Queen Pool, Chaves and Lea Counties, New Mexico, and to permit administrative approval for the conversion of water injection wells in said project, which is within the limits of the North Caprock-Queen Unit No. 2, authorized by Commission Order R-1194.

CASE 1402:

Application of Neville G. Penrose, Inc. for an order amending Order R-1151. Applicant, in the above-styled cause, seeks an order amending Order No. R-1151 to extend the time allowed for the flaring of gas from its McCallister Well No. 1, located 660 feet from the North and West lines of Section 7, Township 22 South, Range 38 East, Tubb Gas Pool, Lea County, New Mexico.

CASE 1479:

Application of Aztec Oil and Gas Company for an oil-oil dual completion and for permission to commingle production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State BD-36 Well No. 1, located 1980 feet from the South and East lines of Section 36, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinebry formation adjacent to the Blinebry Oil Pool and oil from the Drinkard Pool through parallel strings of 1 1/2 inch tubing. The applicant further proposes to commingle the Blinebry and Drinkard production from said well in common storage.

June 16, 1958

ga

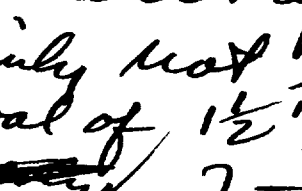
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 7/29/58

CASE NO. 1479

HEARING DATE 9am 7-2-58  
DSN @ SF

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order approving the dual completion as proposed by Aztec in the subject case. Among findings include one that the expected production from each zone will not be excessive and ~~the~~ can be produced through the 1½ inch tubing. Applicant has testified that he can also pump all of the oil and water which he expects to produce without difficulty. I would further recommend that the small size pumps <sup>when installed</sup> be observed closely for efficiency of operations although this need not be included in order. Approval of this dual should certainly not be construed as general approval of 1½" tubing strings in all wells. ~~Very~~ <sup>Very</sup> Truly Yours,   
  Staff Member

Case 1479

*Copy  
file*

MAIN OFFICE **WESTERN OIL FIELDS, INC.**

1827 GRANT STREET

1958 JUL 29 AM 8:12 POST OFFICE BOX 1139 DENVER, COLORADO

TELEPHONE MAIN 3-0226

June 30, 1958

New Mexico Oil & Gas Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

RE: Application of Aztec Oil & Gas Company  
for an oil-oil dual completion in the  
Blinebry and Drinkard Oil Pools and an  
Application for permission to commingle  
such production.

---

Gentlemen:

We are advised the above referenced applications have  
been set for examiner hearing under Case No. 1479 on July 2, 1958.

These applications pertain to State Well BD-36 No. 1  
well in the NW/4 SE/4 Section 36-22S-37E in which we own a 25% of  
7/8 working interest. Since we will not be able to have a representa-  
tive at the hearing mentioned above, we are writing to say that we  
believe the requests for a dual oil completion and the commingling of  
the oil to be a reasonable and practical solution as well as to be in  
the best interest of conservation practices and do hereby respectfully  
request your approval.

Very truly yours,

WESTERN OIL FIELDS, INC.

By

*R. M. Barnholt Sr.*

R. M. Barnholt, Sr.,  
President

cc: Q. B. Davis  
La Fonda Hotel  
Santa Fe, New Mexico

Case 1479

**AZTEC OIL & GAS COMPANY**

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

June 18, 1958

AIR MAIL

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

Re: Application of Aztec Oil &  
Gas Company for an Oil-Oil  
Dual Completion in the Bline-  
bry and Drinkard Oil Pools  
and an Application for per-  
mission to Commingle such  
Production.

Gentlemen:

Enclosed herewith in triplicate are the following applications:

1. Application of Aztec Oil & Gas Company for an Examiner Hearing for the granting of an exception to Rule 112-A(a) for approval of an Oil-Oil Dual Completion well in the Blinebry Oil Pool and Drinkard Pool, which well is located on the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 36, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico.
2. Application of Aztec Oil & Gas Company for an Examiner Hearing for the granting of an exception to Rule 303 for approval of the commingling of oil into common tankage produced from the Blinebry Oil Pool and Drinkard Pool from the above described well.

Copies of the above applications along with a copy of this transmittal letter have been forwarded to each of the parties listed below which are offset owners or operators as set forth on Exhibit

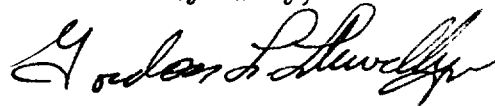
*Docket Mailed  
6-24-58  
B P*

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Page 2  
June 18, 1958

"A" to the respective applications.

Yours very truly,



Gordon L. Llewellyn  
Attorney

GLL/cb  
Enclosures

cc: Cities Service Oil Company  
The Texas Company  
Gulf Oil Corporation  
John M. Kelly  
Western Oil Fields, Inc.  
Amerada Petroleum Corporation  
State of New Mexico % Commissioner of Public Lands  
New Mexico Oil Conservation Commission, District 1,  
Attention: Mr. R. F. Montgomery, Box 2045, Hobbs, New Mexico



**AZTEC OIL & GAS COMPANY**

920 MERCANTILE SECURITIES BLDG.

DALLAS 1, TEXAS

June 18, 1958

REGISTERED MAIL

RETURN RECEIPT REQUESTED

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

Re: Application of Aztec Oil &  
Gas Company for an Examiner  
Hearing before the Oil Con-  
servation Commission of New  
Mexico for the granting of an  
exception to Rule 303 for Ap-  
proval of the Commingling of  
Oil into Common Tankage Pro-  
duced from an Undesignated  
Pool (but within one-quarter  
mile of the Blinebry Oil Pool)  
and the Drinkard Pool.

Gentlemen:

Aztec Oil & Gas Company, hereinafter referred to as "Applicant", hereby submits in triplicate its application for an exception to Rule 303 for approval of commingling into common tankage, oil produced from an undesignated oil pool (but within one-quarter mile of the Blinebry Oil Pool) and the Drinkard Pool. The well from which this oil is produced is known as the State "BD-36" Well #1 and is located on the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 36, T-22-S R-37-E, N.M.P.M., Lea County, New Mexico. In support of this application, Applicant respectfully states and shows the following:

1.

Applicant is filing simultaneously herewith an application for hearing before the Commission for the granting of an exception to Rule 112-A(a) for approval of an Oil-Oil Dual Completion of the subject well. If approved, the dual completion will pertain to oil from the

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Page 2  
June 18, 1958

Drinkard Pool and oil from an undesignated pool; however, since the well is within one-quarter mile of the designated Blinebry Oil Pool, production from the undesignated pool will be governed by the Blinebry Oil Pool rules as prescribed by Special Rule 1 of Order R-610.

2.

Applicant proposes to commingle the oil produced from the two separate zones into common tankage on State of New Mexico Oil and Gas Lease E-6143.

3.

Applicant proposes to measure production from the Drinkard Pool through a dump-type metering vessel. The Blinebry oil production will then be determined by gauging the total production into the tanks and subtracting therefrom the metered volume from the Drinkard zone, or as an alternative to separately meter the production from both formations prior to the commingling into common tankage.

4.

The attached Exhibit "A" shows the location of the subject well and the proposed tank battery together with the location of offset owners of the mineral rights on adjacent lands.

Aztec Oil & Gas Company respectfully requests that an Examiner Hearing at Santa Fe be set as soon as possible in July, 1958, to consider an exception to Rule 303 for approval of the commingling as above set forth. Applicant requests the application for exception to Rule 112-A(a) be heard at the same time as this case, either as a combined case or as separate cases.

Yours very truly,

AZTEC OIL & GAS COMPANY

By William J. Davis  
General Attorney

APPROVED	
Legal	<i>[Signature]</i>
Land	
Acct.	
Eng.	<i>[Signature]</i>
Geol.	

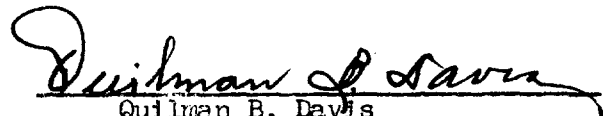
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Page 3  
June 18, 1958

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 herein are true and correct.

  
Quilman B. Davis

Sworn to and subscribed before me the undersigned authority  
this 18th day of June, 1958.

My Commission Expires:

June 1, 1959


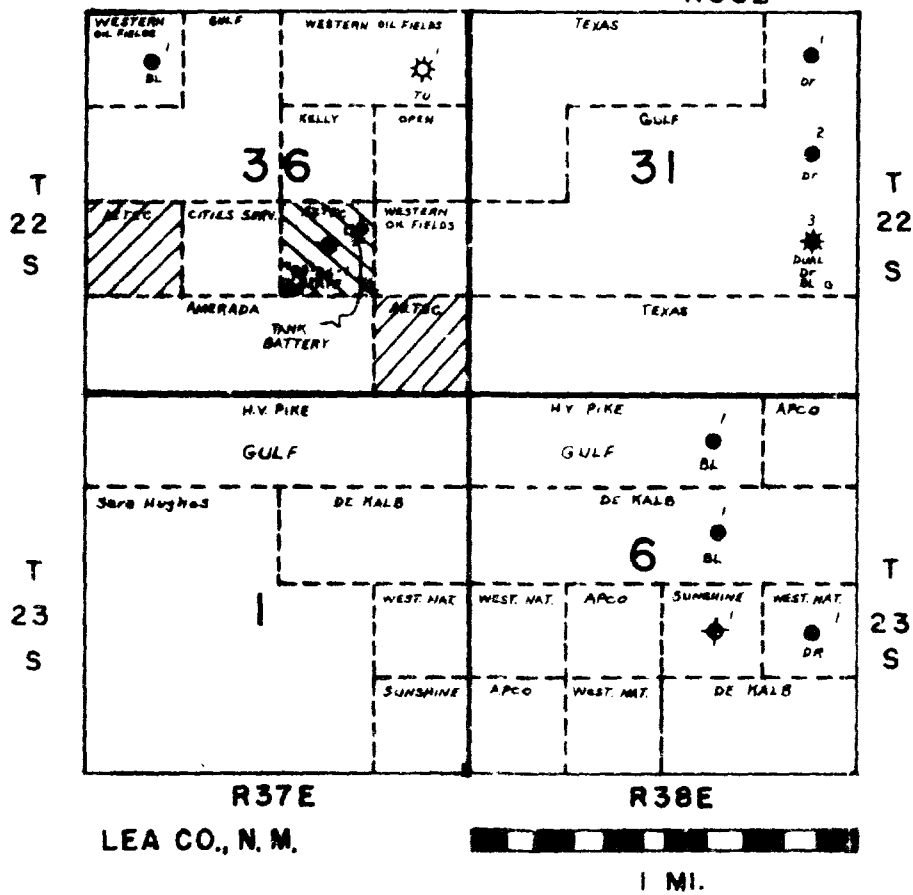
  
Notary Public in and for  
Dallas County, Texas

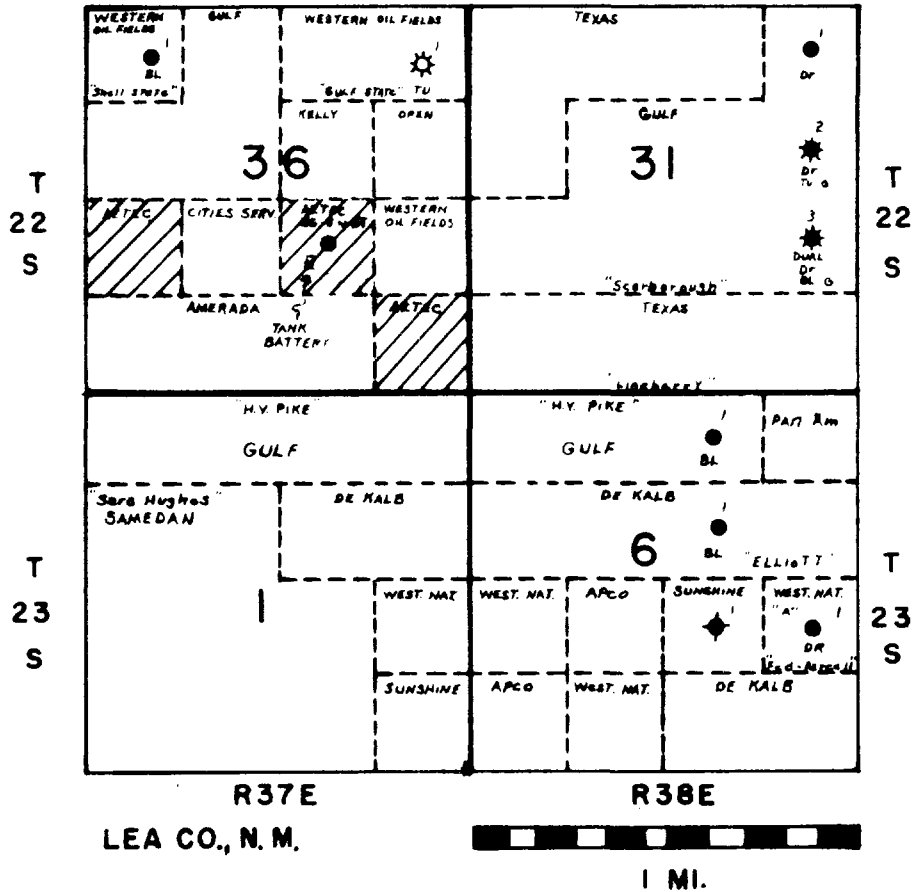
EXHIBIT "A"  
AZTEC OIL & GAS COMPANY

R 37E STATE "BD"-36 NO. 1 R 38E



**EXHIBIT "I"**  
**AZTEC OIL & GAS COMPANY**

R 37E      STATE "BD" 36 NO. 1      R 38E



**BEFORE EXAMINER NUTTER**

OIL CONSERVATION COMMISSION

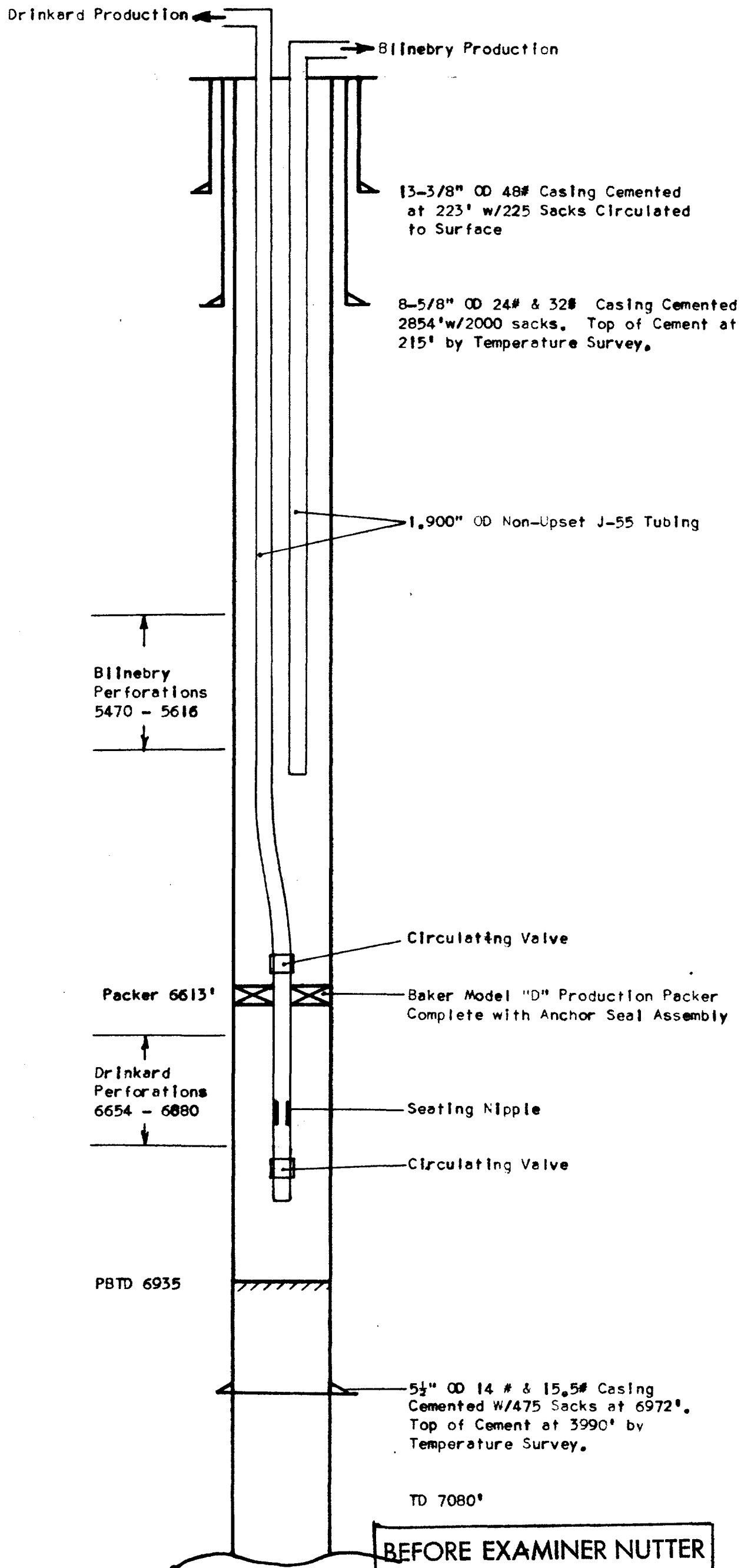
*Appl* EXHIBIT NO. 1

CASE NO. 1479

Case No.

1479

Large Exhibits



BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
*Appl* EXHIBIT NO. 2  
CASE NO. 1479

SCHEMATIC DIAGRAM OF PROPOSED DUAL COMPLETION  
AZTEC OIL & GAS COMPANY  
STATE BD-36 NO. 1  
NW SE SEC.36-T22S-R37E, LSA COUNTY, NEW MEXICO

# SCHLUMBERGER WELL SURVEYING CORPORATION

HOUSTON, TEXAS



## MICROLOGGING®

COUNTY Lea  
 FIELD or LOCATION Drinkard  
 WELL State BD 36 #1  
 COMPANY Aztec Oil & Gas  
Company

COMPANY AZTEC OIL & GAS

COMPANY

WELL STATE BD 36 #1

FIELD DRINKARD

LOCATION SEC. 36-22S-37E

COUNTY LEA

STATE NEW MEX

Other Surveys  
IES GR

Location of Well  
1980' f S & E/L

BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION

EXHIBIT NO. 3(6)

Elevation: D.F.: 8315

CASE NO. K.B. 2216

or G.T.: 3306

Log Depths Measured From KB 10 Ft. above GL

RUN No.	1	2
Date	5-2-58	5-9-58
First Reading	6399	7079
Last Reading	3950	6300
Feet Measured	1750	779
Depth Reached	6400	7080
Bottom Driller	6399	7080
Mud Nat.	Chem-Gel	Chem-Gel
Dens. Visc.	9.7 37	9.5 34
Mud Resist.	.44 @ 74 °F	.4 @ 90 °F
" Res. BHT	.34 @ 101 °F	.34 @ 107 °F
" pH	9 @ °F	10 @ °F
" Wtr. Loss	18 CC 30 min	5.6 CC 30 min
" Rmf	.28 @ 101 °F	.28 @ 107 °F
" Rmc	.60 @ 74 °F	@ °F
Mud Log: Rm	.36	.4
Depth	3193	
Bit Size	7 7/8"	7 7/8"
Sonde Type	Powered	Powered
Pad Type	H-Pad	H-Pad
Opr. Rig Time	2 hrs	1 hr
Truck No.	2526 Hobbs	2527 Hobbs
Recorded By	Geisel	Mahoney
Witness	Watts	Watts

BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION  
 EXHIBIT NO. 3(6)  
 CASE NO. 1477

Exhibit 3(6)



# SCHLUMBERGER WELL SURVEYING CORPORATION

HOUSTON, TEXAS



## Induction-Electrical Log

COUNTY <u>Lea</u> FIELD or LOCATION <u>Drinkard</u> WELL <u>State BD 36 #1</u>	COMPANY <u>Aztec Oil &amp; Gas Company</u>	COMPANY <u>AZTEC OIL &amp; GAS</u>	Other Surveys GR ML
		COMPANY	Location of Well <u>1980' f S &amp; E/L</u> ✓
		WELL <u>STATE BD 36 #1</u>	
		FIELD <u>DRINKARD</u>	
		LOCATION <u>SEC. 36-22S-37E</u>	
COUNTY <u>LEA</u>		Elevation: D.F.: <u>3315</u> K.B.: <u>3316</u> or G.L.: <u>3306</u>	
STATE <u>NEW MEXICO</u>		FILING No. _____	

RUN No.	1	2	<div style="border: 1px solid black; padding: 5px;"> <p><b>BEFORE EXAMINER NUTTER</b></p> <p>OIL CONSERVATION COMMISSION</p> <p>EXHIBIT NO. <u>3a</u></p> <p>CASE NO. <u>1479</u></p> </div>			
Date	5-2-58	5-9-58				
First Reading	6394	7074				
Last Reading	2853	6394				
Feet Measured	3541	680				
Csg. Schlum.	2853					
Csg. Driller	2850					
Depth Reached	6400	7080				
Bottom Driller	6400	7080				
Depth Datum	KB 10' Abv GL	KB 10' Abv GL				
Mud Nat.	Chem-Gel	Chem-Gel				
Dens. Visc.	9.7 37	9.5 34				
Mud Resist.	.44 @ 74 °F	.4 @ 90 °F	@ °F	@ °F	@ °F	@ °F
" Res. BHT	.34 @ 101 °F	.34 @ 107 °F	@ °F	@ °F	@ °F	@ °F
Rmf	.28 @ 101 °F	.28 @ 107 °F	@ °F	@ °F	@ °F	@ °F
Rmc	.60 @ 74 °F	@ °F	@ °F	@ °F	@ °F	@ °F
" pH	9 @ °F	10 @ °F	@ °F	@ °F	@ °F	@ °F
" Wtr. Loss	18 CC 30 min.	15.6 CC 30 min.	CC 30 min.	CC 30 min.	CC 30 min.	CC 30 min.
Bit Size	7 7/8"	7 7/8"				
Spcgs.—AM	16"	16"				
MN						
IND.	40"	5 FF 40				
Opr. Rig Time	2 hrs	1 1/2 hrs				
Truck No.	2526 Hobbs	2527 Hobbs				
Recorded By	Geisel	Mahoney				
Witness	Watts	Watts				

*Exhibit 3a*

# WELEX



## RADIOACTIVITY LOG

COMPANY **AZTEC OIL & GAS COMPANY**  
WELL **STATE BD 36 #1**  
FIELD **DRINKARD**  
County **LEA**  
State **NEW MEXICO**  
File

COMPANY **AZTEC OIL & GAS COMPANY**WELL **STATE BD 36 # 1**FIELD **DRINKARD**COUNTY **LEA** STATE **NEW MEXICO**

Location

1980' F/EL  
1980' F/SL

Other Logs

NONE

Sec. **36** Twp. **22-S** Rge. **37-E**

Elevation

Permanent Datum **13 3/8" CSG. HEAD FLG. Elev. 3306'**Log Measured From **10' ABOVE 13 3/8" CSG. HEAD FLG.**Drilling Measured From **10' ABOVE 13 3/8" CSG. HEAD FLG.**KB. **3316'**DF. **3315'**GL. **3306'**

Type Log	<b>GAMMA</b>	<b>N - N</b>
Run No.	<b>ONE</b>	<b>ONE</b>
Date	<b>5-14-58</b>	<b>5-14-58</b>
Total Depth Driller	<b>7080'</b>	<b>7080'</b>
Present Depth Driller	<b>6932'</b>	<b>6932'</b>
Total Depth Welex	<b>6935'</b>	<b>6935'</b>
Survey Begins	<b>6922'</b>	<b>6934'</b>
Survey Ends	<b>2500'</b>	<b>2500'</b>
Mud Data		

Type Fluid in Hole **OIL**

Salinity PPM Cl

Weight lb./gal.

Fluid Level

Max. Hole Temp.

Recorded By **BILES**  
Witnessed By **MR. WATTS**

**BEFORE EXAMINER NUTTER**  
**OIL CONSERVATION COMMISSION**  
EXHIBIT NO. **3 C**  
CASE NO. **1479**

## BORE HOLE RECORD

## CASING RECORD

Run	Bit	From	To	Size	Wgt.	From	To
-1-	17 1/2"	0'	300'	13 3/8"		0'	300'
	11"	300'	2850'	8 5/8"		0'	2850'
	7 7/8"	2850'	7080'	5 1/2"		0'	6972'

Exhibit 3(c)