

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 12, 1961

Mr. Kenneth A. Swanson
Aztec Oil & Gas Company
920 Mercantile Securities Building
Dallas 1, Texas

Dear Ken:

I have your letter of May 9, 1961, concerning non-standard units in the Basin-Dakota and Blanco-Mesaverde Gas Pools in Sections 30 and 31, Township 29 North, Range 9 West, San Juan County, New Mexico.

You are probably aware that there are Mesaverde units already established in Section 30. The S/2 of Section 30 was established as a Mesaverde unit by Administrative Order NWU-40, issued on May 13, 1955. This unit was to be dedicated to Aztec Oil & Gas Company's Cain Well No. 3. The N/2 of Section 30 and the S/2 S/2 of Section 19 was established as a Mesaverde unit by Commission Order No. R-1098. I find nothing, however, establishing any Mesaverde unit in Section 31.

At present a case is pending before the Commission to establish non-standard units in the Basin-Dakota which would cover Sections 30 and 31. This cause was brought by the Commission, on its own motion, and although an order has not yet been signed in the case, it should be forthcoming in the near future. The proposed Dakota units in this case covering Sections 30 and 31 establish the S/2 of Section 30 and the N/2 N/2 of Section 31 as one unit, and the remainder of Section 31 as another unit.

While I cannot say with certainty that these Dakota units, as outlined above, will be approved, that, at least, is what was proposed.

If you concur with the order establishing these Dakota units as it appears in its final form, you will be saved the expense of

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SANTA FE, NEW MEXICO

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May 12, 1961

Mr. Kenneth A. Swanson
Aster Oil & Gas Company
Dallas 1, Texas

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a hearing. If you do not concur, you may, of course, apply to
establish units to your liking.

Hope to see you in Santa Fe at our hearing on May 24th.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr

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V

AZTEC OIL & GAS COMPANY

920 MERCANTILE SECURITIES BLDG.
DALLAS 1, TEXAS

LAND DEPARTMENT
H. L. SNIDER, JR., MANAGER
KENNETH A. SWANSON, ATTORNEY

May 9, 1961

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

Dear Dick:

Aztec Oil & Gas Company holds leases covering most of Sections 30 and 31 in T-29-N, R-9-W, San Juan County, New Mexico and wishes to obtain approval for non-standard units so that Dakota wells and additional Pictured Cliffs wells may be drilled on these two sections.

We thought it might be expedient to informally obtain your views as to the best way to designate these units before formally requesting approval for them. It occurred to us that the creation of three east-west Dakota units might be the best solution. Each would contain approximately 350 acres. Of course, the middle unit would include lands both at the north portion of Section 31 and the south portion of Section 30. Possibly, the non-standard units for the additional Pictured Cliffs could be designated as either the $E\frac{1}{2}$ or the $W\frac{1}{2}$ of the tracts designated as Dakota non-standard units.

Should this seem generally acceptable to you; of course, we will make formal applications for the Commission's approval. Should you feel that some other allotment would be more appropriate, I would appreciate your views.

Yours very truly,

Kenneth A. Swanson

KAS/et

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 24, 1961

C
O
P
Y

Mr. Emery C. Arnold
District Supervisor
Oil Conservation Commission
1000 Rio Brazos Road
Artes, New Mexico

Dear Emery:

Order No. R-1670-C, in its last paragraph, docketed a case for the June regular hearing to establish maximum and minimum allowables in the Basin Dakota Gas Pool.

Since this has not come up in any of our recent discussions, I am wondering whether this has been looked into and if we are going to be ready to put on this case in June.

Another matter that comes to my mind is that of the non-standard proration units in the Dakota which Al prepared for Case No. 2228. First, let me thank Al for sending the descriptions of the units. This has certainly saved me a lot of time. I am wondering, however, if the remaining descriptions for these units are now available. Al indicated that the operators were going to supply him with these and we have held up the order on this account.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

1000 RIO BRAZOS ROAD
AZTEC

March 24, 1961

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attn: Mr. Elvis Utz

Re: Examiner Case No. 2228

Dear Mr. Utz:

Two proration units were added to page 9 of Exhibit No. 1 of Case 2228 while I was on the witness stand. I would like to make a correction in the acreage of the two units. The unit composed of the SW/4, S/2 SE/4 and S/2 NW/4 of Section 31, Township 32 North, Range 6 West should contain 315.12 acres and the unit composed of the NE/4, N/2 SE/4, and N/2 NW/4 of the same section 31 should contain 318.39 acres.

I hope that the reporting service might be permitted to correct these acreages in the case record.

Yours very truly

A. R. Kendrick
A. R. Kendrick
Engineer, District #3

ARK:ks

cc: Mr. George Eaton
Pan American Petroleum Corp.
Farmington, N.M.

Mr. D. H. Rainey
El Paso Natural Gas Co.
El Paso, Texas

GOVERNOR
EDWIN L. MECHEM
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STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

1000 RIO BRAZOS ROAD
AZTEC

April 27, 1961

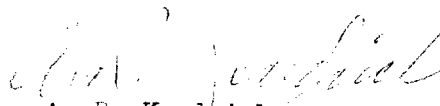
Mr. R. S. Morris
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Case No. 2228

Dear Dick:

The units in subject case where the acreage is unknown will have to remain unknown until the operators drill the wells. The order setting out the Mesaverde units did not show acreage for any unit. The operators will survey the tracts if and when they prepare to drill.

Yours very truly,


A. R. Kendrick
Engineer, District #3

ARK:ks

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 27, 1961

Mr. Al Kendrick
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

Dear Al:

Elvis has given a favorable recommendation to your proposed non-standard Dakota units in Case No. 2228.

Inasmuch as you have done extensive work in preparing the exhibit in the case and may still have your work sheets, or at least may still be familiar with which lots and acreage are included in each unit, I would greatly appreciate it if you could supply me with the description of the units.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr