

Case
2287

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

May 2, 1961

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

Re: Application of Aztec Oil & Gas
Company for Permission to Com-
mingle Production from the Totah
Gallup Pool from Several Separate
Leases in Section 18, T-29-N,
R-13-W, San Juan County, New Mexico.

Dear Mr. Porter:

Aztec Oil & Gas Company hereby submits its Application, in tripli-
cate, for an exception to Rule 309(a) of Order 850 and for permission
to commingle production from the Totah Gallup Pool obtained from several
separate oil and gas leases in a common tank battery.

In support of this Application, Applicant respectfully states and
shows the following:

1. Applicant is the present owner of the right to drill to and pro-
duce oil and gas from the Gallup formation under the terms of the fol-
lowing oil and gas leases:

- (a) Fee Lease executed by Bruce M. Barnard, Jr., et al,
dated October 30, 1959, recorded in Book 438 at
Page 204 of the Records of San Juan County, New
Mexico, covering the following lands:

Township 29 North, Range 13 West, N.M.P.M.

Section 18: Lots 2,3,4, SE $\frac{1}{4}$ SW $\frac{1}{4}$

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- (b) Fee Lease executed by Neva Gladys Harris, et al, dated August, 1958, recorded in Book 388 at Page 174 of the Oil and Gas Records of San Juan County, covering the following lands:

Township 29 North, Range 13 West, N.M.P.M.

Section 18: NE $\frac{1}{4}$ SE $\frac{1}{4}$

San Juan County, New Mexico

- (c) Fee Lease executed by Albert A. Harris, et ux, dated October 20, 1960, recorded in Book 465 at Page 162 of the Records of San Juan County, New Mexico, covering the following lands:

Township 29 North, Range 13 West, N.M.P.M.

Section 18: NE $\frac{1}{4}$ SE $\frac{1}{4}$

San Juan County, New Mexico

- (d) Fee Lease executed by Siddy Carten Smith and Agnes C. Eaton, dated November 28, 1958, recorded in Book 397 at Pages 28 and 29 of the Oil and Gas Records of San Juan County, New Mexico, covering the following lands:

Township 29 North, Range 13 West, N.M.P.M.

Section 18: NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

San Juan County, New Mexico

- (e) Fee Lease executed by O. A. Dunn, et ux, dated December 18, 1948, recorded in Book 167 at Page 174 of the Records of San Juan County, New Mexico, covering the following lands:

Township 29 North, Range 13 West, N.M.P.M.

Section 18: S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

San Juan County, New Mexico

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2. Applicant has drilled or plans to drill Gallup wells on each of the above-described leases or on pooled units to which all or parts of such leases have been committed and proposes to commingle Gallup oil production in a common tank battery.

3. The leases above described are contiguous.

4. All production is from a common source of supply, to-wit, the Totah Gallup Pool.

5. No more than sixteen (16) units will be produced into the common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.

6. With respect to the right to drill to and produce oil and gas from the Gallup formation under the lands above described, Applicant is the Operator and sole owner thereof.

Applicant respectfully requests that this Application be promptly set for hearing, that an opportunity be afforded at such hearing for Applicant to present its evidence in support of such Application as may be required or deemed expedient and that the Commission thereafter grant such exception to Rule 309(a) of Order 850 and approve such commingling in a common tank battery.

Yours very truly,

AZTEC OIL & GAS COMPANY

By Kenneth A. Swanson
Kenneth A. Swanson
Attorney

KAS/et