AZTEC OIL & GAS COMPANY 920 MERCANTILE SECURITIES BUILDING Dallas 1, Texas

NSP-215 Ani Mixin

November 14, 1955

011 Conservation Commission State of New Mexico P. 0. Box 871 Santa Fe, New Mexico

> Re: Application for Exception to Rule 5(a) of Order R-520, as Amended, for Establishment of a Non-Standard Gas Proration Unit, Eumont Gas Pool, Lea M Commer County, New Mexico School look

Gentlemen:

Astec Oil & Gas Company (hereinafter referred to as "Applicant") hereby submits its application for administrative approval of a non-standard gas proration unit comprising the SWE of Section 20, Township 20 South, Range 36 Bast, N.M.P.M., Les County, New Mexico, as reflected on the plat attached hereto.

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

1. Applicant's State E-20 No. 1 Well, located 660 feet from the south line and 1980 feet from the west line of Section 20, Township 20 South, Range 36 East, N.N.P.M., Les County, New Mexico, was completed as a commercial gas well on July 25, 1955 and will be connected very soon to Southern Union Gas Company's pipeline system.

2. The proposed non-standard gas proration unit consists of 160 acres, more or less, which are contiguous quarter quarter sections.

3. In the opinion of Applicant, the entire non-standard gas proration unit requested herein may reasonably be presumed to be productive of gas from a section of the Seven Rivers formation in the Eumont Gas Pool.

4. Applicant owns an undivided 7/8ths of the working interest in the proposed non-standard gas proration unit and Mr. J. R. Hughes is the owner of the remaining undivided 1/8ths working interest. Astec and Hughes have agreed to a pooling of their respective interests in the proposed unit.

5. The length or width of the proposed non-standard gas proration unit does not exceed 5,280 feet.

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