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August 15, 2006

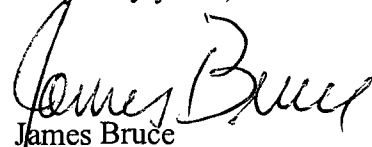
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 13779

Dear Florene:

Enclosed for filing, on behalf of Unit Petroleum Company, are an original and one copy of an application to amend special pool rules, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 14, 2006 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Unit Petroleum Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF UNIT PETROLEUM
COMPANY TO AMEND THE SPECIAL
RULES AND REGULATIONS FOR THE
NORTH OSUDO-MORROW GAS POOL,
LEA COUNTY, NEW MEXICO.**

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Case No. 13779

APPLICATION

Unit Petroleum Company applies for an order amending the special rules and regulations for the North Osudo-Morrow Gas Pool (the "Pool"), and in support thereof, states:

1. Applicant is a working interest owner and operator in the Pool.
2. The Pool was created by Commission Order No. R-2937, and currently covers the

following lands in Lea County, New Mexico:

Township 19 South, Range 36 East, N.M.P.M.

Section 30:	All
Section 31:	E½
Section 32:	All

Township 20 South, Range 36 East, N.M.P.M.

Section 6:	All
Section 7:	All
Sections 16-21:	All
Section 29:	All
Section 30:	All

3. Commission Order No. R-3305, as amended, instituted special rules for the Pool, providing for 640 acre spacing, with wells to be located no closer than 1650 feet to the outer boundary of the section, nor closer than 330 feet to a quarter-quarter section line.

4. Applicant requests that the special pool rules for the Pool be amended to provide for the following:

- (a) Retaining 640 acre well spacing (current Special Rule 2), with a provision allowing non-standard units (current Special Rule 3);

(b) Orthodox well locations no closer than 660 feet to a quarter section line, nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary;

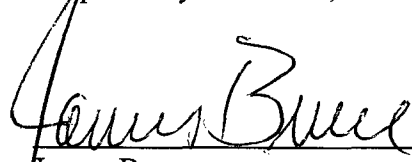
(c) Four wells per section, provided that no more than one well shall be allowed per quarter section; and

(d) Limiting these rules to acreage currently within the designated horizontal extent of the Pool.

5. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Unit Petroleum Company

PROPOSED ADVERTISEMENT

Case No. 13729: Application of Unit Petroleum Company to amend the special rules and regulations for the North Osudo-Morrow Gas Pool, Lea County, New Mexico. Applicant seeks an order amending the special rules and regulations for the North Osudo-Morrow Gas Pool to provide for 640 acre well units with a provision for non-standard units, four wells per well unit with no more than one well per quarter section, wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary, and limiting the special rules and regulations to acreage currently within the designated horizontal extent of the pool. The subject pool covers all or parts of Sections 30-32, Township 19 South, Range 36 East, NMPM and Sections 6, 7, 16-21, 29, and 30, Township 20 South, Range 36 East, NMPM. The pool is centered approximately 8 miles southwest of Monument, New Mexico.

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