

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
ANGEL PEAK UNIT AREA, SAN JUAN COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

COMES the undersigned, Byrd-Frost, Inc., and files herewith three copies of a proposed unit agreement for the development and operation of the Angel Peak Unit Area, San Juan County, New Mexico, and hereby makes application for the approval of said agreement by the New Mexico Oil Conservation Commission, and in support thereof shows:

I.

That the area designated in said proposed unit agreement covers 29,802.17 acres, more or less, in Townships 27, 28, and 29 North, Ranges 10 and 11 West, San Juan County, New Mexico. The unit area includes lands of the State of New Mexico, privately-owned lands, and Public Domain; 4.26% being State lands, 2.14% being privately-owned lands, and 93.26% being the Public Domain of the United States, or Federal lands. The State lands included in the unit area are in the extreme north portion of the unit area, being more particularly described as follows:

All of Sec. 26, T. 29 N., R. 11 W; S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$,
NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 32, T. 29 N., R. 10W; W $\frac{1}{2}$ SE $\frac{1}{4}$,
SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16, T. 28 N., R. 10 W., N.M.P.M.,
containing 1280 acres, more or less.

That the unit area and the ownership of the oil and gas leases embracing lands therein are more particularly shown

by the plat attached to said unit agreement as Exhibit "A", and by the scheduled attached to said unit agreement as Exhibit "B".

II.

That the area designated in said unit agreement has heretofore been designated by the Director of the U. S. Geological Survey as one suitable and proper for unitization and all of the lands embraced therein are believed to be situated upon the same geological structure.

III.

That under Section 4 of the unit agreement, only oil, gas, natural gasoline, and associated fluid hydrocarbons produced from formations stratigraphically below the Cretaceous Pictured Cliff sandstone in lands within the unit area are unitized under the agreement.

IV.

That under the terms of said agreement, applicant Byrd-Frost, Inc., whose post office address is 1110 Tower Petroleum Building, Dallas, Texas, is designated as the Unit Operator and is given authority to carry on operations necessary for the operation and development of the unit area for oil and gas, subject to the regulations of the Secretary of the Interior, the Commissioner of Public Lands of the State of New Mexico, and the New Mexico Oil Conservation Commission.

V.

That under the provisions of Section 8 of said unit agreement, the Operator agrees, within six months from the effective date thereof, to begin an adequate test well upon

some part of the lands embraced in the unit area and to drill the same, with due diligence, to a depth of not less than 7,000 feet, unless oil or gas, which can be produced in paying quantities, is encountered in said well at a lesser depth, or unless at a lesser depth the Dakota formation has been adequately tested, or an igneous or metamorphic formation, or some other condition or formation is encountered which, in the opinion of the Unit Operator, with the approval of the Supervisor as to wells on Federal land and the Commission as to wells on State lands or patented lands, would render further drilling unfavorable or impracticable. That said well has already been commenced and is now drilling at a depth of approximately 4760 feet, said well being located in approximately the center of Lot 3, Sec. 4, T. 29 N., R. 10 W., N.M.P.M., which is near the center of the unit area.

VI.

That said proposed unit agreement follows substantially the same form as unit agreements heretofore approved by the New Mexico Oil Conservation Commission, The Commission of Public Lands of the State of New Mexico, and the Secretary of the Interior, and that the form of said agreement was approved by Warner W. Gardner, Assistant Secretary of the Interior, on October 21, 1946, a copy of such approval being attached hereto, and for purposes of identification marked Exhibit "A".

VII.

That it is believed that operations carried on under the terms of said unit agreement will promote the economical and efficient recovery of oil and gas, to the end that the maximum yield may be obtained from the field or area if oil

or gas should be encountered in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values, and it is further believed that such agreement will be in the interest of conservation of oil and gas and the prevention of waste, as contemplated by the oil conservation statutes of the State of New Mexico.

VIII.

That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement, and after the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior of the United States, an approved copy of said agreement will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held upon the matter of the approval of said unit agreement, as provided by the statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said unit agreement be approved by the New Mexico Oil Conservation Commission.

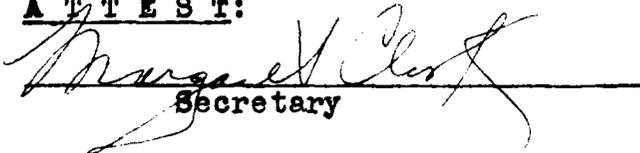
Respectfully submitted

BYRD-FROST, INC.

BY



A T T E S T:


Secretary