

Mesa Verde 369
Case 369

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF the Application
of THE BAY PETROLEUM CORPORATION
for the approval of a Unit Agreement
embracing E $\frac{1}{2}$, Section 36, Township
30 North, Range 8 West, containing
320 acres, San Juan County, New Mexico.

No. _____

A P P L I C A T I O N

Application is hereby made by the Bay Petroleum Corporation whose post office address is 1655 Grant Street, Denver, Colorado, for the approval by the Commission of a Unit Agreement for the developing and operation of a unit area in the County of San Juan, State of New Mexico and entered into by the applicant herein as unit operator, Skelly Oil Company, whose post office address is Tulsa, Oklahoma and El Paso Natural Gas Company, whose post office address is El Paso, Texas, owners of the working interest in the lands embraced within such unit, not owned by applicant herein:

I.

The unit area embraces the following described lands located in San Juan County, New Mexico, to-wit:

E $\frac{1}{2}$, Section 36, Township 30 North, Range 8
West. N.M.P.M.

The total area embraced in said unit area is 320 acres, all of which is held under oil and gas leases issued by Commissioner of Public Lands of the State of New Mexico. The unit is to be designated for identification purposes as "The Bay-Mesa Verde Unit."

II.

An application for the approval of this Unit Agreement has been filed with the Commissioner of Public Lands and it is

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anticipated that the same will be approved shortly hereafter and applicant requests that this application be set down for hearing at the MAY, 1952 hearing date. At such hearing the requisite number of signed copies of the Unit Agreement will be submitted for approval and filed in your office. An unsigned copy of the Unit Agreement is filed herewith for temporary record pending filing of the completely executed copies. The Unit Agreement contains the statement of ownership of all the oil and gas interests in the lands embraced in said unit and as shown therein all the working and royalty interests have been committed to the unit agreement except the royalty interest of the State of New Mexico being sought by application filed herewith before the Commissioner of Public Lands.

III.

The form of Unit Agreement substantially follows those previously considered by this Commission. As shown therein the Oil Conservation Commission has heretofore entered its Order establishing the well-spacing requirements as 320 acres for the Blanco pool.

IV.

Within ninety days after such Unit Agreement is made, effective, the unit operator is obligated to commence drilling operations on a well to be located 1650 feet from the North line and 1650 feet from the East line of Section 36, Township 30 North, Range 8 West. Should commercial production be discovered unitized operations will enable production operations to be conducted in accordance with the best overall reservoir practices. Under this Unit Agreement the State of New Mexico will receive its fair share of the oil and/or gas. The Unit Agreement is in all respects to the best interest of the State and tends to promote

the conservation of oil and/or gas and the elimination of waste.

V.

This commission is hereby requested to set this application down for hearing and after such hearing give its formal approval to this Unit Agreement.

Respectfully submitted this 25th day of April, 1952.

THE BAY PETROLEUM CORPORATION

By James E. Gherling

STATE OF

County of

} ss

_____, being first duly sworn, says that he is _____ for the applicant in the foregoing application,

That he has read said application, knows the contents thereof and the matters and things therein set forth are true to the best of his information and belief.

Subscribed and sworn to before me this ____ day of April, 1952.

Notary Public

My commission expires _____