

Case 423

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF LANE MILL UNIT AREA
LEA COUNTY, NEW MEXICO



NEW MEXICO OIL CONSERVATION COMMISSION,
SANTA FE, NEW MEXICO.

COMES the undersigned, Texas Pacific Coal and Oil Company, a corporation, with offices at Fort Worth National Bank Building, Fort Worth, Texas, and files herewith a copy of a proposed Unit Agreement for the development and operations of the Lane Mill Unit area embracing land situated in Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement, and in support thereof shows:

1.

That the unit area designated in said agreement comprises 2560 acres situated in Lea County, New Mexico, more particularly described as follows:

Twp. 15 S., R. 32 E., N. M. P. M.

Sec. 28 : $W\frac{1}{2}$,
Sec. 29 : All,
Sec. 30 : $E\frac{1}{2}$,
Sec. 31 : $E\frac{1}{2}$,
Sec. 32 : All,
Sec. 33 : $W\frac{1}{2}$.

That all of the above described lands are lands owned by the State of New Mexico upon which the applicant and others are owners of Oil and Gas Leases issued by the Commissioner of Public Lands of the State of New Mexico.

2.

That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat reflecting the results of a seismograph survey made on the proposed Unit Area, and Exhibit "B", a plat showing the division of ownership in the Unit Area, and because of the geological information available applicant believes that the above described area is an area suitable and proper for unitization.

3.

That the undersigned, Texas Pacific Coal and Oil Company, is designated as the Unit Operator in said agreement, and the Unit Operator is given the authority under the terms thereof to carry on all operations which are necessary for the development and operation of the Unit Area for oil and gas subject to all applicable laws and regulations. That said Unit Agreement provides

for the commencement of a test well for oil and gas upon some part of the lands committed to the Unit Agreement on or before November 10, 1952, and for the drilling of said well to a depth of 13,500 feet, or to a depth sufficient to test the Devonian Formation expected to be encountered at about said depth or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities or until it shall be determined that the further drilling of said well would be unwarranted or impractical.

4.

That said Unit Agreement is in substantially the same form as Unit Agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico, and by the New Mexico Oil Conservation Commission, and it is believed that operations to be carried on under the terms thereof 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 produced 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 the Agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes of the State of New Mexico.

5.

That upon an order being entered by the New Mexico Oil Conservation Commission approving the said Unit Agreement, and after approval thereof by the Commissioner of Public Lands of the State of New Mexico, a fully executed and 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 on 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,

TEXAS PACIFIC COAL AND OIL COMPANY

By: 