

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 742

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR APPROVAL OF THE
WEST ANDERSON RANCH UNIT AGREEMENT
EMBRACING 5,344.34 ACRES, MORE OR
LESS, CHAVES, EDDY AND LEA COUNTIES,
NEW MEXICO, WITHIN TOWNSHIPS 15 AND
16 S., RANGES 31 AND 32 E., N.M.P.M.

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, the Continental Oil Company, a corpora-
tion, with offices at Fort Worth, Texas, and files herewith three
copies of the proposed Unit Agreement for the Development and Opera-
tion of the West Anderson Ranch Unit Area, Chaves, Eddy and Lea Coun-
ties, New Mexico, and hereby makes application for the approval of
said Unit Agreement as provided by law, and in support thereof, shows:

1. That the proposed unit area covered by said agreement em-
braces 5,344.34 acres, more or less, more particularly described as
follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 15 S., R. 31 E., Chaves County, New Mexico

Sec. 33: All
Sec. 34: $S\frac{1}{2}$, $W\frac{1}{2}NW\frac{1}{4}$

T. 15 S., R. 31 E., Eddy County, New Mexico

Sec. 1: All
Sec. 2: Lots 1, 5, 6, 7, 8, 9, 10, 11, 12, 13,
14, 15, 16, $S\frac{1}{2}$
Sec. 3: Lots 8, 9 and 16, $E\frac{1}{2}SE\frac{1}{4}$

T. 16 S., R. 32 E., Lea County, New Mexico

Sec. 5: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13,
14, 15, 16, $S\frac{1}{2}$
Sec. 6: All
Sec. 7: Lot 1, $NE\frac{1}{4}NW\frac{1}{4}$, $NE\frac{1}{4}$
Sec. 8: $N\frac{1}{2}$

2. That the lands embraced within the proposed unit area
are all State lands except 40 acres, which is Federal land.

3. That applicant is informed and believes, and upon such
information and belief, states: That the proposed unit area covers
a substantial part of all of the geological features involved, and

in the event of the discovery of oil or gas thereon, that said unit agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That the Continental Oil Company is designated as unit operator in said unit agreement, and as such is given authority under the terms thereof to carry on all operations 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 embraced in the unit area within six months of the effective date of said unit agreement and for the drilling thereof with due diligence, to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities if at a lesser depth; provided, however, operator is not required in any event to drill said well to a depth in excess of 13,500 feet.

5. 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 in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said agreement, to the end that the maximum recovery will be obtained, and that said unit agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

6. That application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement and after

approval thereof by the Commissioner of Public Lands of the State of New Mexico, an approved copy thereof 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 and that upon said hearing, said unit agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

DATED this the 18th day of June, 1954.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By W. R. Hall

J. M. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
WILLIAM C. SCHAUER
HOWARD C. BRATTON
S. B. CHRISTY IV

LAW OFFICES
HERVEY, DOW & HINKLE
FIRST NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO

June 19, 1954

for
Case 7 X3
file
MAIN OFFICE OCC
1954 JUN 21 AM 9:03
TELEPHONE 2160
L.D.3

Mr. R. R. Spurrier,
Executive Secretary
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

We enclose in triplicate application of the Continental Oil Company for approval of the West Anderson Ranch Unit Agreement.

This unit involves all state land except one 40 acres of federal land and covers an area immediately west of the Anderson Ranch unit.

I have heretofore discussed the approval of this unit with Johnny Walker and it is my understanding that he is willing to approve the unit.

During your absence, I talked with Bill Macey over the telephone about having a special hearing before the Commission at 9:00 A.M. on July 7th, due to the fact that the shortest term lease involved expires on July 10th, and the unit agreement must be approved and drilling operations commenced before that date.

The form of unit agreement has been approved by Oscar Jordan, attorney for the Land Commissioner, and is substantially the same form as used in connection with the Anderson Ranch Unit and which was approved by the Commission. It is anticipated that a large percentage of the lease owners will have executed the unit agreement by the time of the hearing and if possible, if satisfactory to the Commission, we would like to have the order entered immediately so that the agreement may be approved by the Commissioner of Public Lands and the agreement made effective.

I will be away during the week of the 7th of July and this matter will be presented to the Commission by Howard Bratton from this office.

I have talked with Nancy Royal with regard to the publication of notice of the hearing and it is my understanding that she has arranged for the same. We certainly appreciate your cooperation in connection with this matter so that we may meet the required deadline for the commencement of the well.

P.S. - Mimeographed copies of unit will be forwarded to you Monday.

CEH:mp
Encl

Yours sincerely,
HERVEY, DOW & HINKLE

By 

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