LAW OFFICES HERVEY, DOW & HINKLE

MAIN OFFICE OCC

FIRST NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO

1954 NOV 制 8:46

October 23, 1954

TELEPHONE 2160

Mr. W. B. Macey Executive Secretary New Mexico Oil Conservation Commission Santa Fe, New Mexico

Williams Ranch Unit Agreement

Lea County, New Mexico

Dear Mr. Macey:

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

We hand you herewith in triplicate application of the Continental Oil Company for approval of the Williams Ranch Unit Agreement embracing 1920 acres in Sections 26, 27, 34 and 35, T. 16 S., R. 32 E., N.M.P.M. We also enclose three copies of the form of proposed unit agreement.

All of the lands involved in this unit are state lands and we are filing an application with the Commissioner of Public Lands for approval of the unit. The Continental is designated as operator and is anxious to commence operations on the projected test well as quickly as possible and we would therefore appreciate your setting this matter down to be heard by the Commission at the regular November hearing. We would also appreciate your sending us a copy of the notice to be published in connection with this matter.

Yours very truly,

DOW & HINKLE

CEH:mp Encl.

cc - Mr. Harry C. Dippel General Counsel Continental Oil Company Fort Worth, Texas

cc - Mr. W. R. Hall Continental Oil Company Roswell, New Mexico

New Mexico Oil Conservation Commission Commissioner of Public Lands Santa Fe, New Mexico

Continental Oil Company, a corporation, is the owner of certain leases in the proposed Williams Banch Unit area, as shown on Exhibit "A", attached to the Application for Approval of Williams Ranch Thit Agreement. The proposed unit is based primarily on the results of a geophysical survey and no definite geological information of a structural nature is available. The seismograph survey reveals a closed structure, with a minimum of 200 feet of closure in all directions. This structure is on trend with the Anderson Ranch structure located 3 miles north and is separated from the Anderson Ranch structure by a definite saddle. This seismograph survey was accomplished in the early part of 1954. Contours as mapped on the Devonian horizon by the geophysical survey are shown on enclosed Exhibit "A". An index map is attached hereto and made a part hereof and for nurposes of identification marked Exhibit 1, which shows the position of the proposed unit in relation to nearby producing fields.

Production may be expected under conditions similar to that of the Anderson Ranch Field and from equivalent geological units. Therefore, the Devonian, which produces in the above mentioned field, is the primary objective and should be encountered at a predicted depth of 13,300 feet.

A 13,500 foot Pevenian test is contemplated contingent upon the approval of the proposed subject unit.

Development in the subject area tends to be retarded due to the wide diversity of ownership and should development be undertaken by the individual lessees, it would not be done in as orderly and scientific a manner as is desirable. The Williams Ranch area as outlined on Exhibit "A" is a single domal structure and is therefore, submitted as a proposed unit in order to bring this diversified ownership together so that development might be carried out in an orderly manner and in the best interests of conservation.

Pespectfully,

J. H. Salny.

Division Geologist

M Swenn G. S. Swenumson Division Geophysicist

4