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Ex hq 1-7-58

New Mexico Oil Conservation Commission
Mabry Hall, State Capitol
Santa Fe, New Mexico

Re: Etcheverry Unit Area

Gentlemen:

We hand you herewith the application of Felmont Oil Corporation for approval of the Etcheverry Unit Agreement in Lea County, New Mexico, together with three copies of the proposed Unit Agreement.

Please set this matter down for hearing before an examiner at the earliest possible date.

Your assistance will be appreciated.

Yours very truly,

HERVEY, DOW & HINKLE

By *Howard C. Bratton*

HCB/bp
Enclosures

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:

THE APPLICATION OF FELMONT OIL
CORPORATION FOR APPROVAL OF THE
ETCHEVERRY UNIT AGREEMENT EMBRACING
1920 ACRES, MORE OR LESS, LEA COUNTY,
NEW MEXICO, CONSISTING OF S $\frac{1}{2}$ SECTION
32 AND S $\frac{1}{2}$ SECTION 33, T. 14 S., R. 34
E., AND ALL OF SECTION 4 AND ALL OF
SECTION 5, T. 15 S., R. 34 E.,
N.M.P.M.

CASE NO. _____

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, the Felmont Oil Corporation, with
offices at Midland, Texas, and files herewith three copies of the
proposed unit agreement for the development and operation of the
Etcheverry Unit Area, Lea County, 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
embraces ~~1920~~ ^{1731.06} acres, more or less, more particularly described as
follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 14 South, Range 34 East

Section 32: S $\frac{1}{2}$
Section 33: S $\frac{1}{2}$

Township 15 South, Range 34 East

Section 4: ~~All~~ ^{N/2 south and 1/2}
Section 5: All

2. That the lands embraced within the proposed unit area
are all State lands. ^{4000 - 2000 acres which are fee lands}

3. That applicant is informed and believes, and upon such
information and belief, states: That the proposed unit area covers

substantially 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 Felmont Oil Corporation 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 sixty days from the effective date of the 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 14,500 feet. *14,700 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 20th day of November, 1957.

Respectfully submitted,

FELMONT OIL CORPORATION

By



HERVEY, DOW & HINKLE
Attorneys for
Felmont Oil Corporation