

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL COMPANY FOR
APPROVAL OF A UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO

A P P L I C A T I O N

COMES NOW Cities Service Oil Company and applies
to the Oil Conservation Commission of New Mexico for
approval of its Citgo Empire-Abo Unit Agreement, Eddy
County, New Mexico, together with provisions for its
operation, and in support thereof would show the
Commission:

1. Applicant proposes a unit for production from
the Empire-Abo Pool, said unit to consist of the follow-
ing described lands located in Eddy County, New Mexico.

The S/2 S/2, NE/4 SW/4, NW/4 SE/4, and NE/4 SE/4 of
Section 35, Township 17 South, Range 27 East, N.M.P.M.,
and the NE/4 NW/4, NW/4 NE/4 of Section 2, Township 18
South, Range 27 East, N.M.P.M.,

361.05 acres

The subject lands consist of federal and state lands.

2. Applicant further seeks permission to inject
produced gas as a conservation measure, and to operate
said project under a net G O R rule.

3. Applicant further seeks establishment of a gas
bank, to be applied to the injection volume during any future
month in which less than a stated amount of gas is injected,
with appropriate limitation on the maximum of the average
balance to be carried in the gas bank.

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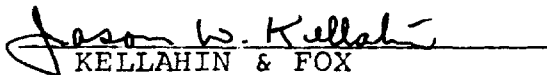
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4. Applicant further seeks approval of the drilling of a gas injection well, to be located 990 feet from the South line and 2640 feet from the East line of Section 35, Township 17 South, Range 27 East, for the injection of gas into the Abo formation, and for an administrative procedure whereby other injection wells may be approved without hearing.

WHEREFORE applicant prays that this matter be set for hearing before the Commission or the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the unit agreement and provisions for its operation as prayed for.

Respectfully submitted,

CITIES SERVICE OIL COMPANY

By 
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT