Jason Kellahin W. Thomas Kellahin Karen Aubrey

KELLAHIN and KELLAHIN Attorneys at Law El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fe, New Mexico 87504-2265

July 1, 1985

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OIL CONSERVATION DIVISION

"Hand Delivered"

Mr. Richard L. Stamets Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Marshall R. Young Oil Company Re: South Cedar Mountain Unit Grant County, New Mexico

Dear Mr. Stamets:

On behalf of Marshall R. Young Oil Co., please set the enclosed application for unit approval for hearing at the next available Examiner Docket now set for July 31, 1985.

Very true Rellahin Thomas

WTK:ca Enc.

Brad Hentschel cc: Edmundson & Associates P. O. Box 1707 Denver, Colorado 80201

> Mr. Ray Graham Office of the Land Commissioner P. O. Box 1148 Santa Fe, New Mexico 87501

Telephone 982-4285 Area Code 505

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STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

CASE: \$656

IN THE MATTER OF THE APPLICATION OF MARSHALL R. YOUNG OIL COMPANY FOR APPROVAL OF THE SOUTH CEDAR MOUNTAIN UNIT, GRANT COUNTY, NEW MEXICO.

APPLICATION

COMES NOW MARSHALL R. YOUNG OIL COMPANY and applies to the Oil Conservation Division of New Mexico for approval of a Unit Agreement, Grant County, New Mexico, and in support thereof would show:

1. Applicant has formed its South Cedar Mountain Unit, composed of State, and Federal acreage consisting of the following lands:

> Unit of 25,029.59 acres more or less, of 21,506.64 acres (85.92%) composed Federal Lands, and 3,522.95 acres (14.08%) State of New Mexico Lands located in:

T26S, R14W, NMPM

Sections 15 through 35 T27S, RI4W, NMPM Sections 2 through 11 and 14 through 23 26427 All as more completely shown on Exhibit A attached hereto.

Applicant is designated as operator of the proposed unit.

3. The Unit Agreement has been submitted to the Commissioner of Public Lands of New Mexico and Bureau of Land Management for preliminary approval.

4. The said Unit Agreement has been approved by sufficient owners of interests to assure its ultimate effectiveness.

5. The said Unit is being formed for the development of the acreage dedicated to it.

6. The granting of this application will result in the prevention of waste and the protection of correlative rights.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Division's duly appointed Examiner and that after notice and hearing, an order be entered approving the Unit Agreement.

Kellahin & Kellahin

Bv

W. Thomas Kallahin P. O. Box 2265 Santa Fe, New Mexico 87501