

NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF HUERFANITO UNIT AGREEMENT  
SAN JUAN, COUNTY, NEW MEXICO

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New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, the Magnolia Petroleum Company, a corporation with offices at Dallas, Texas, and files herewith three copies of a proposed Unit Agreement for the development and operation of the Huerfanito Unit Area embracing lands situated in San Juan County, New Mexico, and hereby makes application for the approval of said Unit Agreement by the New Mexico Conservation Commission as provided by law, and in support thereof shows:

1. That the Unit Area designated in said Agreement comprises 10,245.38 acres situated in San Juan County, New Mexico, more particularly described as follows:

Twp. 27 N., Rge. 9 W., N.M.P.M.

All Sec. 22, All Sec. 23,  $W\frac{1}{2}$  Sec. 24,  
 $W\frac{1}{2}$  Sec. 25, All Sec. 26, All Sec. 27,  
All Sec. 28, All Sec. 33, All Sec. 34,  
All Sec. 35, All Sec. 36;

Twp. 26 N., Rge. 9 W., N.M.P.M.

All Sec. 1, All Sec. 2, All Sec. 3,  
All Sec. 4,  $N\frac{1}{2}$  Sec. 10,  $N\frac{1}{2}$  Sec. 11,  
All Sec. 12.

That of the above described lands 1,120.94 acres are lands of the State of New Mexico, 640 acres are allotted Indian lands, and 8484.44 acres are Federal lands or part of the Public Domain.

2. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A" a plat

tification marked Exhibit "B" a copy of the request made to the Director of the United States Geological Survey under date of July 3, 1950, for the designation of said area as one suitable and proper for unitization, and having reference to said geologic map. That the Director of the United States Geological Survey has heretofore designated said area as one suitable and proper for unitization, and it is believed that the proposed Unit Area covers substantially all of the geologic feature involved, and in the event of the discovery of oil or gas thereon, that said Unit Agreement will afford effective control of the entire structure.

3. That the Magnolia Petroleum Company is designated as the Unit Operator in said Unit Agreement, and, as such, is given authority under the terms thereof to carry on all operations which are necessary for the development and operation of 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 of the Unit Area within six months of the effective date thereof, and for the drilling of said well to a depth of 7200 feet, unless unitized substances shall be discovered at a lesser depth.

4. 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 operations to be carried on under the terms thereof will promote the economical and efficient recovery of oil and gas to the end that the maximum yield may be ob-

in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values, and it is further believed that the Agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes of the State of New Mexico.

5. 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, a fully executed and approved copy of said Agreement 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 as provided by the Statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said Unit Agreement be approved by the New Mexico Oil Conservation Commission.

Respectfully submitted,

MAGNOLIA PETROLEUM COMPANY

By *A. P. Hamifin*