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April 25, 1958

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PAUL W. EATON, JR.
ROBERT C. BLEDSOE

Handwritten signature: Clarence E. Hinkle

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Cotton Draw Unit Agreement

Dear Mr. Porter:

We enclose in triplicate the application of The Texas Company for the approval of the above unit agreement together with three copies of the proposed unit agreement.

We would appreciate your setting this down for hearing preferably before an examiner either at Hobbs or Santa Fe at your very earliest convenience.

Yours very truly,

HERVEY, DOW & HINKLE

BY: *Clarence E. Hinkle*
147

CEH:jy
Encls.

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
COTTON DRAW UNIT AGREEMENT
EDDY AND LEA COUNTIES, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, The Texas Company, a corporation with offices at Fort Worth, Texas, and files herewith three copies of the proposed unit agreement for the development and operation of the Cotton Draw Unit Area, Eddy and Lea Counties, 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 35,144.36 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

T. 24 S., R. 31 E.

Section 13: All
Section 14: $S\frac{1}{2}$
Sections 23, 24, 25, 26: All
Section 34: $E\frac{1}{2}$
Sections 35 and 36: All

T. 24 S., R. 32 E.

Sections 7, 8, 9: All
Sections 16, 17, 18, 19, 20, 21: All
Section 27: $W\frac{1}{2}$, $SE\frac{1}{4}$
Sections 28, 29, 30, 31, 32, 33 and 34: All

T. 25 S., R. 32 E.

Sections 3, 4, 5, 6, 7, 8, 9, 10: All
Sections 15, 16, 17, 18, 19, 20, 21, 22: All
Section 27: $N\frac{1}{2}$
Section 28: $N\frac{1}{2}$
Section 29: $N\frac{1}{2}$
Section 30: $N\frac{1}{2}$

T. 25 S., R. 31 E.,

Sections 1 and 2: All
Section 3: $E\frac{1}{2}$
Section 10: $E\frac{1}{2}$
Sections 11, 12, 13, 14: All
Section 15: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$
Section 22: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$, $SW\frac{1}{4}NW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$
Sections 23 and 24: All
Section 25: $N\frac{1}{2}$
Section 26: $N\frac{1}{2}$

That of the lands embraced within the proposed unit area, 31,866.38 acres or 90.673% are Federal lands, 3,197.88 acres or 9.099% are lands of the State of New Mexico, and 80 acres or .228% are fee or privately owned lands. That said area has heretofore been designated by the Director of the United States Geological Survey as an area suitable and proper for unitization and the form of unit agreement has also been approved by the Director of the United States Geological Survey.

3. That applicant is informed and believes, and upon such information and belief, states: That the proposed unit area covers a substantial part of the geological feature 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 Texas 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 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 drilling of an initial test well to a depth sufficient to test the basal members of the Delaware formation down to the Bone Springs formation, however, the unit operator is not required to drill said well to a depth in excess of 12,000 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 for the State of New Mexico.

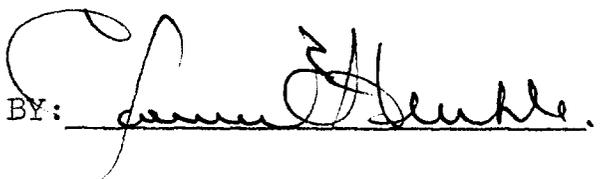
7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement and after approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

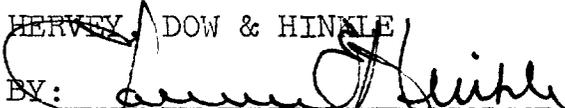
WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agreement and that upon said hearing, said unit agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

DATED this the 25th day of April, 1958.

Respectfully submitted,

THE TEXAS COMPANY

BY: 

HERVEY DOW & HINKLE
BY: 
Roswell, New Mexico
Attorneys for The Texas Company