

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CITIES SERVICE OIL COMPANY FOR THE
APPROVAL OF THE DRICKEY QUEEN SAND
UNIT AGREEMENT EMBRACING 5,241.59
ACRES IN TOWNSHIPS 13 AND 14 SOUTH,
RANGE 31 EAST, CHAVES COUNTY, NEW
MEXICO.

No. 1744

APPLICATION

Comes now Cities Service Oil Company and applies to the Oil Conservation Commission of New Mexico for approval of a unit agreement entitled "Unit Agreement, Drickey Queen Sand Unit, Caprock Field, Chaves County, New Mexico," the said agreement having been entered into between the applicant herein as the Unit Operator and working interest owners and royalty owners as have, or may hereafter, subscribe to or consent to the agreement, and in support thereof would show:

1. The Drickey Queen Sand Unit Area embraces the following described lands located in Chaves County, New Mexico, to-wit:

Township 13 South, Range 31 East

Sec. 33: $E\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}$,
 $S\frac{1}{2}SW\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}$
Sec. 34: $SW\frac{1}{4}$
Sec. 35: $SE\frac{1}{2}$

Township 14 South, Range 31 East

Sec. 1: Lots 3 and 4 and $SW\frac{1}{4}NW\frac{1}{4}$
Sec. 2: Lots 2, 3, and 4, $S\frac{1}{2}NW\frac{1}{4}$,
 $SE\frac{1}{4}NE\frac{1}{4}$, $S\frac{1}{2}$
Sec. 3: Lots 1, 2, 3, 4, and $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$
Sec. 10: All
Sec. 11: $W\frac{1}{2}$, $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$

Sec. 14: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$
Sec. 15: All
Sec. 16: N $\frac{1}{2}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$
Sec. 22: E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Containing 5,241.59 acres more or less,
situated in Chaves County, New Mexico.

2. Attached hereto is an unexecuted copy of the Unit Agreement, together with a copy of the Unit Operating Agreement and an amendment to said Unit Operating Agreement. The requisite number of signed copies, or conformed copies thereof, will be submitted for approval, and a complete and signed copy of the Unit Agreement will be filed in the office of the Commissioner of Public Lands of the State of New Mexico.

3. Attached hereto is a plat showing lands proposed to be embraced in the unit, showing the ownership of the various lands. The applicant is continuing efforts to obtain commitments to the Unit Agreement from those owners of interest who have not yet joined and a full showing of the commitments will be made at the time of the hearing of this application.

4. The unit agreement makes express provision that additional parties may join and subject their interest to the said agreement after its final approval.

5. The unit agreement affects only the Queen Sand Formation, and Cities Service Oil Company, Bartlesville, Oklahoma, is designated as Unit Operator for the operation, development and production of unitized substances from said unit.

6. All of the lands included in the unit are reasonably proved to be productive, and the object and purpose of the agreement is to formulate and to put into effect a secondary recovery project in order to effect the greatest recovery of oil or gas, or both, prevent waste, and conserve natural resources.

7. Approval of the unit agreement is in the interests of conservation, will result in the prevention of waste, protection of correlative rights, and will result in a greater ultimate recovery of oil from the lands included in the agreement. The State of New Mexico, the United States of America, and all other royalty owners on lands included in the unit will receive their fair share of the recoverable oil and gas in place under the lands in the proposed unit.

WHEREFORE, applicant respectfully requests that this matter be set for hearing at the earliest possible date, and that after notice and hearing the Commission enter its order approving the Unit Agreement.

Respectfully submitted,

CITIES SERVICE OIL COMPANY

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