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BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF  
INDIAN HILLS UNIT AGREEMENT  
EDDY COUNTY, NEW MEXICO

*Case 2748*

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, Ralph Lowe of Midland, Texas, acting by and through the undersigned attorneys, Hervey, Dow & Hinkle of Roswell, New Mexico, and files herewith three copies of the proposed Unit Agreement for the Indian Hills Unit Area, Eddy County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission, and in support thereof states:

1. That the proposed unit area embraces 4,480 acres, situated in Township 21 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, of which 840 acres are lands of the State of New Mexico and 3,640 acres are Federal lands, and which are more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 21 South, Range 24 East

Section 16: All  
Section 17: All  
Section 20: All  
Section 21: All  
Section 28: All  
Section 29: All  
Section 33: All

2. That the proposed unit area has heretofore been designated by the Director of the United States Geological Survey as an area logically subject to unitization.

3. That applicant is informed and believes and upon such information and belief states that the proposed unit contains all or substantially all of the geophysical features involved and that 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 unitized substances.

4. That applicant proposes to cause a test well to be drilled upon the unit area to a depth sufficient to test the Devonian Formation which is expected to be encountered at a depth of 10,200 feet. It is contemplated that the initial test well will be drilled in the SW $\frac{1}{4}$  of Section 21, Township 21 South, Range 24 East, N.M.P.M., and that said well will be drilled in accordance with the terms of the proposed unit agreement to a depth sufficient to test the Devonian Formation, but the Operator is not obligated to drill the same to a depth in excess of 10,500 feet.

5. That the proposed form of unit agreement is substantially the same as that heretofore used and approved by the Oil Conservation Commission, the Commissioner of Public Lands and the Director of the United States Geological Survey where both State and Federal lands are involved.

6. That applicant believes that in the event oil or gas in paying quantities should be discovered on the lands within the unit area that the pool or field can be developed more economically and efficiently under the terms of the said

unit agreement to the end that the maximum recovery of unitized substances will be obtained and that said unit agreement is in the interest of conservation and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes and regulations.

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 by the Director of the United States Geological Survey, an approved copy will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner 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 the prevention of waste.

DATED this the 16th day of January, 1963.

Respectfully submitted,

RALPH LOWE

By 

Attorney

HERVEY, DOW & HINKLE

By 

Attorneys for Applicant

P.O. Box 10

Roswell, New Mexico