

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

MAY 17 11 17 AM '69

APPLICATION OF ATLANTIC RICHFIELD)
COMPANY FOR APPROVAL OF THE EAST)
SHUGART UNIT AGREEMENT EMBRACING)
1,359.40 ACRES IN TOWNSHIPS 18 AND 19)
SOUTH, RANGE 31 EAST, EDDY COUNTY,)
NEW MEXICO FORMED FOR SECONDARY)
RECOVERY PURPOSES FOR THE SHUGART)
POOL (YATES-SEVEN RIVERS-QUEEN-)
GRAYBURG).)

Case 4137

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through the undersigned attorneys, and files herewith in triplicate copies of proposed Unit Agreement for the Development and Operation of the East Shugart Unit Area, Eddy County, New Mexico, and hereby makes application for approval of said unit agreement, and in support thereof respectfully shows:

1. That the proposed unit area consists of the following described land situated in Eddy County, New Mexico, to-wit:

Township 18 South, Range 31 East

- Section 27 - SE $\frac{1}{4}$ SE $\frac{1}{4}$
- Section 34 - E $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
- Section 35 - W $\frac{1}{2}$, NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
- Section 36 - SW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 19 South, Range 31 East

- Section 3 - Lot 2, Lot 3, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$
- containing 1,35 .40 acres, more or less

DOCKET MAILED
Date 5-9-69

That the proposed unit area consists of 1,319.40 acres of federal land and 40 acres of state land. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the outlines of the proposed unit area, the ownership of the leasehold interests and the character of the land.

2. That the proposed unit area has heretofore been designated by the Acting Director of the United States Geological Survey as an area logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended.

3. That the proposed unit agreement, copies of which are filed herewith, is substantially the same form as has heretofore been approved by the Commission and the United States Geological Survey where state and federal lands are involved and said form has been approved by the United States Geological Survey.

4. That Atlantic Richfield Company is designated as the unit operator in the proposed unit agreement and the principal reason for unitization is to carry on a waterflood project covering that portion of the Shugart Pool which is within the proposed unit area, and which includes the Yates, Seven Rivers, Queen and Grayburg formations. That a separate application is being filed for specific approval of the waterflood project by the Commission.

5. That the unit will only cover the subsurface portion of the unit area commonly known as the Yates-Seven Rivers-Queen-Grayburg formations.

6. That in the opinion of applicant, the formation of the proposed unit will be in the interest of conservation and the prevention of waste and will protect correlative rights and tend to promote the greatest ultimate recovery of unitized substances.

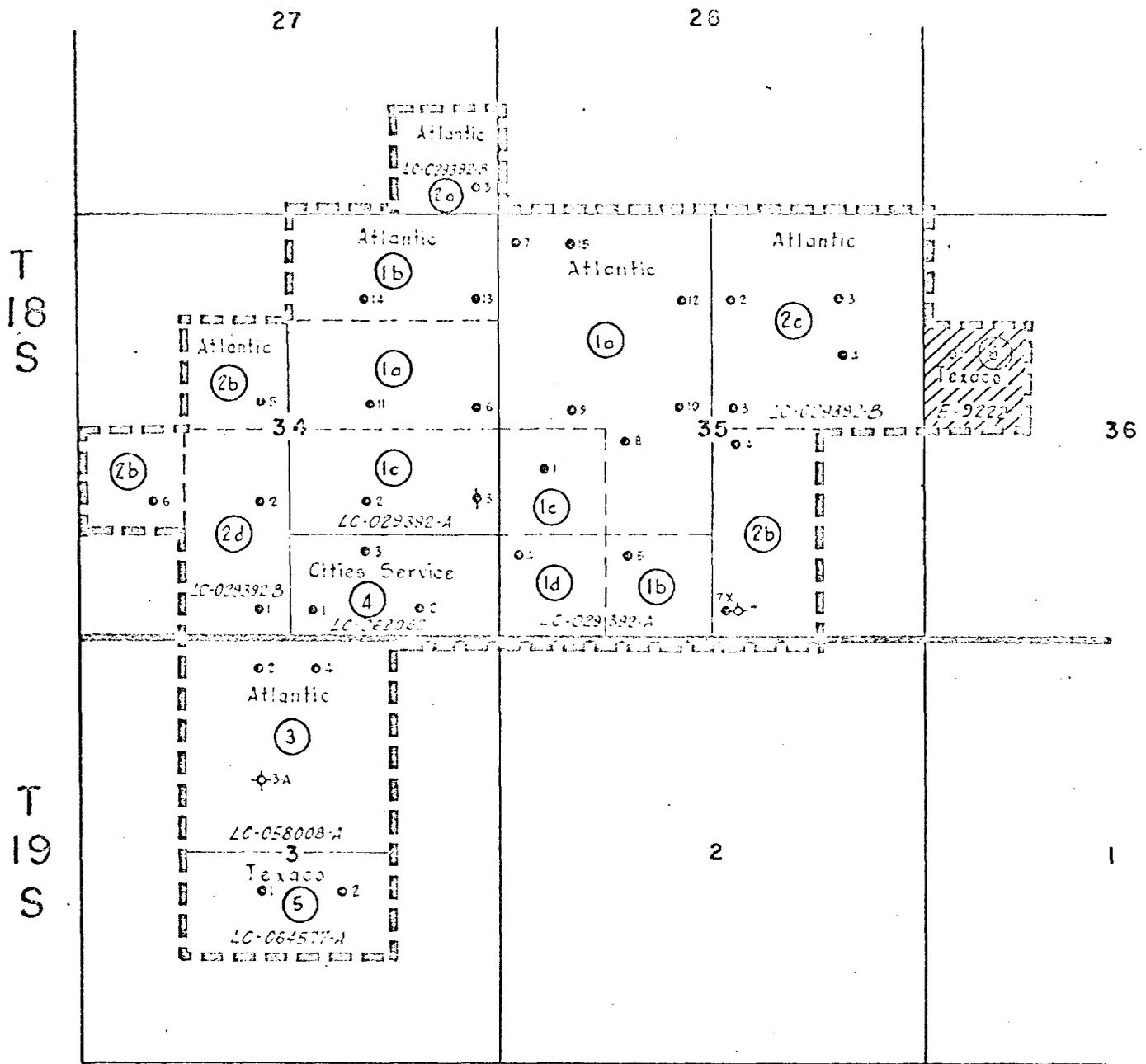
7. Applicant requests that this matter be set down for hearing at the examiner's hearing to be held on May 21, 1969.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By 

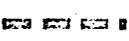
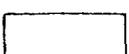
Member of the Firm of
Hinkle, Bondurant & Christy
Attorneys for Applicant



R 31 E



LEGEND

-  Unit Area
-  Tract Number
-  Federal Land
-  State Land

EAST SHUGART UNIT
EDDY COUNTY, NEW MEXICO

EXHIBIT "A"

