

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION OF UNION TEXAS)
PETROLEUM DIVISION OF ALLIED)
CHEMICAL CORPORATION FOR APPROVAL)
OF THE LANGLIE-JAL UNIT AGREEMENT)
EMBRACING 3,748.06 ACRES OF FEDERAL,)
STATE AND FEE LANDS IN TOWNSHIPS)
24 AND 25 SOUTH, RANGE 37 EAST,)
N.M.P.M. LEA COUNTY, NEW MEXICO)

Case 4429

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Union Texas Petroleum Division of Allied Chemical Corporation, acting by and through the undersigned attorneys, and hereby makes application for approval of the Langlie-Jal Unit Agreement embracing 3,748.06 acres of federal, state and fee lands in Townships 24 and 25 South, Range 37 East, N.M.P.M. Lea County, New Mexico, files herewith 3 copies of the proposed unit agreement, and in support thereof respectfully shows:

1. That there is attached hereto as Exhibit "A" a plat showing the proposed unit area and the state, federal and fee acreage involved therein, together with the owners of the oil and gas leases covering the respective tracts and the location of wells which have been drilled within the unit area.

2. That the unit area includes 2,075.23 acres or 55.368111% of federal lands, 640 acres or 17.075500% of state lands and 1,032.83 acres or 27.556389% of fee lands; that the proposed unit agreement is being formed for secondary recovery purposes and the form of agreement follows substantially the form which has heretofore been approved by the Conservation Commission where federal, state and fee lands are involved; the proposed unit area and the form of agreement have been approved by the United States Geological Survey and the Commissioner of Public Lands.

3. That applicant is designated as operator in the unit agreement. The unit agreement is limited to the productive interval underlying the unit area between the top of the Seven Rivers formation and the base of the Queen sand, being the stratigraphic equivalent of

the interval occurring between the depths of 3,095 feet and 3,691 feet as shown on the electric log of the Skelly Oil Company Sherrel No. 7 well located 1980 feet from the South and East lines of Section 31, Township 24 South, Range 37 East, Lea County, New Mexico.

4. That the principal working interest owners in the unit area have agreed upon a tract participation formula which is more particularly set forth in Section 13 of the unit agreement and is based 50% on the ultimate primary production, 35% on usable wells and 15% on acreage. The percentage of participation of each tract within the proposed unit area is shown on Exhibit "C" attached to the unit agreement. The participating formula has also been approved by the United States Geological Survey and the Commissioner of Public Lands.

5. That applicant is filing simultaneously herewith an application to the Commission for approval of a waterflood project to be co-extensive with the unit area.

6. That the proposed unit area covers all, or substantially all, of the productive area and is believed to be in the interest of conservation and the prevention of waste and will promote the greatest ultimate recovery of oil and gas from the unit area.

7. Applicant requests that this matter be set down for the examiner's hearing to be held on September 30.

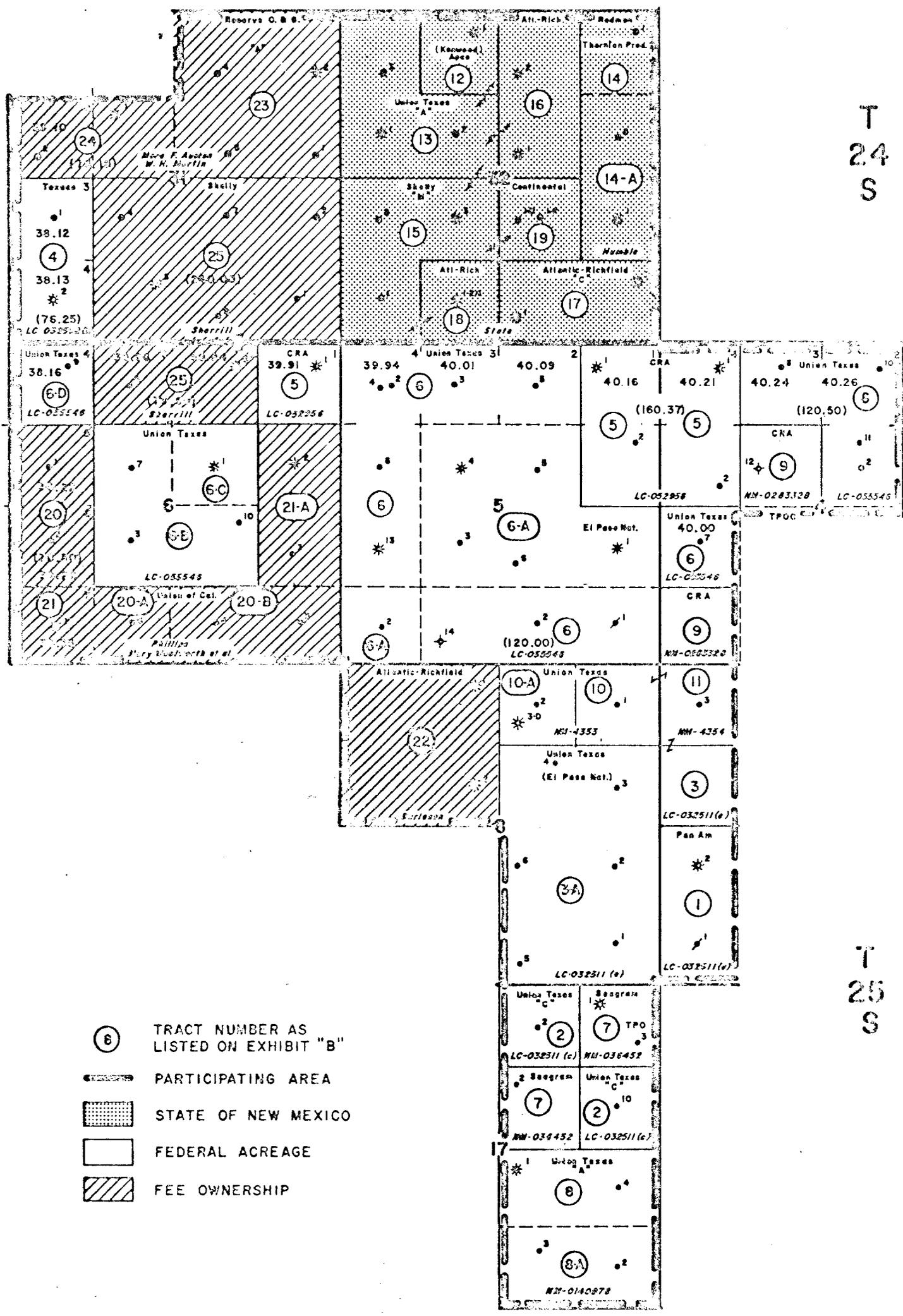
Respectfully submitted,

UNION TEXAS PETROLEUM DIVISION
ALLIED CHEMICAL CORPORATION

By 

Member of the Firm of
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Box 10
Roswell, New Mexico 88201

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- ⑥ TRACT NUMBER AS LISTED ON EXHIBIT "B"
- ▨ PARTICIPATING AREA
- ▨ STATE OF NEW MEXICO
- FEDERAL ACREAGE
- ▨ FEE OWNERSHIP



UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

LANGLIE - JAL UNIT
LEA COUNTY, NEW MEXICO

EXHIBIT "A"

SCALE IN FEET

2000 1000 0 2000 4000