BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE EXPANSION OF THE FLYING "M" (SAN ANDRES) UNIT AREA TO INCLUDE 879.48 ACRES IN SECTIONS 29, 32, 33, AND 34, TOWNSHIP 9 SOUTH, RANGE 33 EAST AND SECTION 4, TOWNSHIP 10 SOUTH, RANGE 33 EAST, LEA COUNTY, NEW MEXICO

Oil Conservation Commission Box 2088 Santa Fe. New Mex ico 87501

Comes Coastal States Gas Producing Company, acting by and through the undersigned attorneys, and hereby makes application for approval of the expansion of the Flying "M" (San Andres) Unit Area to include 879.48 acres in Sections 29, 32, 33 and 34, Township 9 South, Range 33 East and Section 4, Township 10 South, Range 33 East, Lea County, New Mexico, and in support thereof respectfully shows:

1. That the Flying "M" (San Andres) Unit Agreement was approved by the Commission on April 26, 1967 in Order R-3220. Prior thereto, on February 3, 1966, the Commission had approved a pressure maintenance project for the Flying "M" San Andres Pool under Order R-3033 and on May 3, 1967 said Order R-3033 was superseded and the pressure maintenance project approved for the entire Flying "M" San Andres Unit Area by Order R-3229.

2. That the Commissioner of Public Lands of the State of New Mexico and the Acting Director of the United States Geological Survey have indicated that they have no objection to the proposed expansion of the unit area and pressure maintenance project to include 240 additional acres of federal land, 239.48 additional acres of state land and 400 additional acres of fee lands, which lands are more particularly described as follows:

> Township 9 South, Range 33 East Section 29 - W½W½ Section 32 - W½NW¼ Section 33 - NE¼, E½NW¼, SE¼ Section 34 - W½NW¼ Township 10 South, Range 33 East Section 4 - NE¼

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3. That applicant proposes to accomplish the proposed expansion of the unit area by following the procedure outlined in Section 3(a) and (b) of the unit agreement.

4. The working interest owners involved in the proposed expanded area have indicated their willingness to commit their respective leasehold interests to the unit agreement as expanded.

5. Applicant requests that this matter be set down for hearing at the next examiner's hearing.

Respectfully submitted,

COASTAL STATES GAS PRODUCING COMPANY By Member of the Firm of

HINKLE, BONDURANT, COX & EATON Attorneys for Applicant Box 10 Roswell, New Mexico 88201