BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF ANTEBELLUM UNIT AGREEMENT LEA COUNTY, NEW MEXICO

5028

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Comes the undersigned, Great Basins Petroleum Company, 1011 Gateway West, Central City, Los Angeles, California 90067, and files herewith one copy of the proposed Unit Agreement for the development and operation of the Antebellum Unit Area, Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by law, and in support thereof, states:

1. That the proposed unit area covered by said agreement embraces 3,840 acres of land, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 23 South, Range 34 East

Sections 16, 17: All Sections 20,21,22: All Section 29: All containing 3,840 acres, more or less.

2. That of the lands embraced within the proposed unit, 1,600 acres are lands of the State of New Mexico; and 2,240 acres are lands of the United States. There are no Fee Lands within the unit area.

3. That an application is being made for the designation of said unit area and for the approval of the form of Unit Agreement by the Commissioner of Public Lands of the State of New Mexico.

4. That applicant is informed and believes, and upon such information and belief states, that the proposed unit area contains all or substantially all of the geological feature involved,

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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 the unitized substances.

5. That Great Basins Petroleum Company is designated as the Unit Operator in said Unit Agreement, and as such, is given authority under the terms thereto to carry on all operations necessary for the development and operation of the unit area for oil and gas subject to all applicable laws and regulations. That said Unit Agreement provides for the drilling of an initial test well to a depth sufficient to penetrate the Upper Mississippian (Barnett Shale) formation, but that applicant is not obligated to drill said well, in any event to a depth in excess of 13,800 feet.

6. That applicant believes that in the event oil and gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that the maximum recovery will be obtained of unitized substances, and that said Unit Agreement is in the interest of conservation and prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes and regulation.

7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and upon approval thereof by the Commissioner of Public Lands of the State of New Mexico, and upon approval by the United States Department of Interior, an approved copy of said Unit Agreement and orders approving same will be filed with the New Mexico Oil Conservation Commission.

8. WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of approval of said Unit Agreement, and that upon said hearing,

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said Unit Agreement be approved by the New Mexico Oil Conservation Commission as being in the interests of conservation and the prevention of waste.

DATED this ____ day of July, 1973.

Respectfully submitted,

GREAT BASINS PETROLEUM COMPANY

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HUNKER, FEDRIC & HIGGINBOTHAM, P.A.

By George H. Hunke P. 0. Box 1837 Roswell, New Mexico Attorneys for Applicant