

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
ISHIE LAKE UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico 87501

Case 5-376

Comes the undersigned McClellan Oil Corporation, with the offices at Roswell, New Mexico, and files herewith one (1) copy of the proposed Unit Agreement for the development and operation of the Ishie Lake Unit Area, Eddy County, New Mexico, and hereby makes application for 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 3,404.16 acres of land, more or less, more particularly described as follows:

<u>T-16-S, R-28-E, NMPM</u>	<u>T-16-S, R-29-E, NMPM</u>
Section 11; E½	Section 7; All
Sections 12, 13; All	Section 18; All
Section 14; All	

Eddy County, New Mexico

2. That of the lands embraced within the proposed Unit, 2,040.00 acra are lands of the United States, being 59.93% of the Area; and 80.00 acres are patented or fee lands, being 2.35% of the Unit Area; and 1,284.16 acres are State of New Mexico lands being 37.72% of the Area.

3. That Applicant is informed and believes, and upon such information and belief states, that the proposed unit area covers all or substantially all of the geological feature involved, and that in the event of a 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.

4. That McClellan Oil Corporation is designated as the Unit Operator in said Unit Agreement, and, as such, is given authority under the terms thereof 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 Mississippian Formation, but applicant is not obligated to drill said well in any event to a depth in excess of 9,900 feet.

5. That applicant believes that in the event oil or gas is discovered in paying quantities on 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 maximum recovery will be obtained of unitized substances and that said Unit Agreement is in the interest of conservation of prevention of waste as contemplated by the New Mexico Oil Conservation rules and regulations.

6. That Application for Approval of said Unit Agreement has been filed with the Commissioner of Public Lands.

7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval by the United States Department of Interior, 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 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. Applicant respectfully requests that this matter be heard at the first available hearing following this date.

DATED this 8th day of November, 1974.

McCLELLAN OIL CORPORATION

DOCKET MAILED

BY:

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P. O. Box 819
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11-15-74
Date