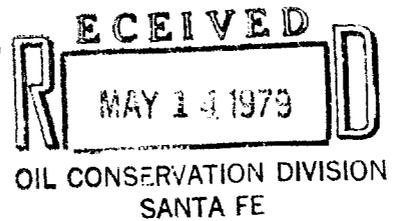


BEFORE THE OIL CONSERVATION DIVISION
STATE DEPARTMENT OF ENERGY AND MINERALS
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
MORTON SOLID STATE UNIT
LEA COUNTY, NEW MEXICO



CASE NO. 6559

TO: New Mexico Oil Conservation Division
State Department of Energy and Minerals
Post Office Box 2088
Santa Fe, New Mexico 87501

Comes now ROY L. MCKAY, P. O. Box 2014, Roswell, New Mexico 88201, and hereby makes application for approval of a Unit Agreement for the development and operation of Morton Solid State Unit, Lea County, New Mexico and in support thereof states:

1. That the proposed unit area covered by said agreement embraces 1,479.98 acres of land, more or less, more particularly described as follows:

Township 15 South, Range 34 East, N.M.P.M.

Section 3 - W/2

Section 4 - All

Section 9 - N/2

Section 10 - NW/4

2. That all of the lands embraced within the proposed unit are contained in State of New Mexico Oil and Gas Leases and the mineral rights thereunder are owned by the State of New Mexico. There are no fee or federal lands within the unit area.

3. That an application has been made for the designation of said unit area and for approval of the form of unit

agreement by the Commissioner of Public Lands, State of New Mexico, Santa Fe, New Mexico. It is anticipated that said area will be designated as being logical for unitization.

4. That applicant is informed and believes and upon information and belief states that the proposed unit area contains all or substantially all the geological feature involved, and in the event the unit agreement is approved, the area will be developed and operated in the interest of conservation and prevention of waste of unitized substances.

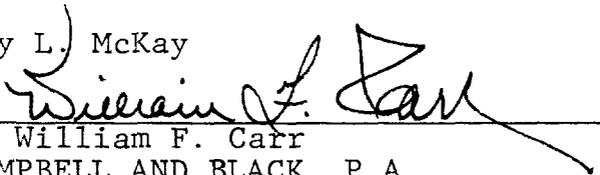
5. That Roy L. McKay is designated as unit operator of said unit agreement and as such, is given authority under the terms thereof to carry on all operations necessary for the development and operation of the unit area for oil and gas, subject to all applicable laws and regulations. The purpose of the unit agreement is for unitization of the area in question and the drilling of an exploratory test well in Section 4 to a depth sufficient to test the Ranger Lake formation, expected to be encountered at a depth of 11,200 feet.

6. That upon an order being entered by the New Mexico Oil Conservation Division approving said agreement and upon approval thereof by the Commissioner of Public Lands, an approved copy of the unit agreement and the documents approving the same, will be filed with the New Mexico Oil Conservation Division.

WHEREFORE the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of the approval of said unit agreement and that upon said hearing said unit agreement be approved by the New Mexico Oil Conservation Division as being in the interest of conservation and the prevention of waste.

Respectfully submitted,

Roy L. McKay

By 

William F. Carr

CAMPBELL AND BLACK, P.A.
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