

LAW OFFICES OF
HUNKER-FEDRIC, P. A.
SUITE 210, HINKLE BUILDING
POST OFFICE BOX 1837
ROSWELL, NEW MEXICO 88201

GEORGE H. HUNKER, JR.
DON M. FEDRIC

TELEPHONE 622-2700
AREA CODE 505

March 11, 1981

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. D.S. Nutter

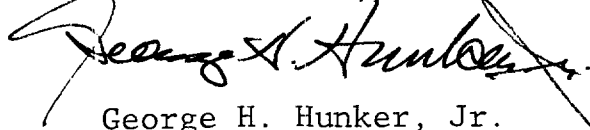
Re: Layton Todd Lower San Andres
Case No. 7201

Gentlemen:

In connection with the above matter, we hand you herewith in triplicate, Layton Enterprises, Inc.'s request for approval of the Todd Lower San Andres Unit Area, comprising 3,255.60 acres, more or less, in Roosevelt County, New Mexico. Will you please file this case and advise us if the matter can be heard on March 25, 1981.

Sincerely yours,

HUNKER-FEDRIC, P.A.

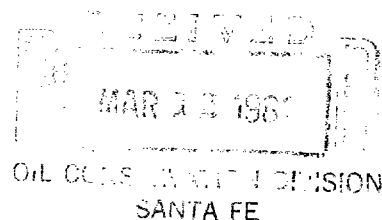


George H. Huncker, Jr.

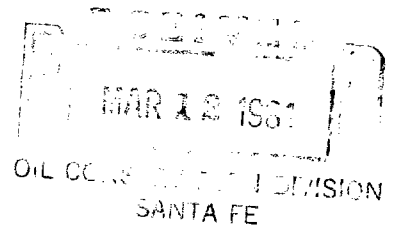
GHH:dd
Enc.

xc: Layton Enterprises, Inc.
Attention: Donald R. Layton, Pres.
3103 - 79th Street
Lubbock, Texas 79423, w/enc.

xc: Stephens Engineering
Attention: Joe L. Johnson, Jr.
P.O. Box 2249
Wichita Falls, Texas 76307, w/enc.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7201

APPLICATION OF LAYTON ENTERPRISES,
INC., FOR APPROVAL OF TODD LOWER
SAN ANDRES UNIT, ROOSEVELT COUNTY,
NEW MEXICO, EMBRACING LANDS IN
TOWNSHIP 7 SOUTH, RANGE 35 EAST,
AND TOWNSHIP 7 SOUTH, RANGE 36 EAST,
3,255.60 ACRES, MORE OR LESS, OF
FEDERAL AND STATE LANDS.

APPLICATION

Layton Enterprises, Inc. respectfully requests approval of the
Todd Lower San Andres Unit, Roosevelt County, New Mexico, and in
support thereof, shows:

1. That the Applicant, Layton Enterprises, Inc., seeks approval
of the Todd Lower San Andres Unit covering 3,255.60 acres, more or less,
of State and Federal land, described as follows:

Roosevelt County, New Mexico
Township 7 South, Range 35 East, N.M.P.M.

Section 25: $E\frac{1}{2}$
Section 35: $N\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{4}$
Section 36: $N\frac{1}{2}$, $SE\frac{1}{4}$

Township 7 South, Range 36 East, N.M.P.M.

Section 19: $S\frac{1}{2}SE\frac{1}{4}$
Section 20: $NW\frac{1}{4}SW\frac{1}{4}$
Section 29: $SW\frac{1}{4}NW\frac{1}{4}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Section 30: Lots 1,2,3,4, $E\frac{1}{2}W\frac{1}{2}$, $W\frac{1}{2}E\frac{1}{2}$, $SE\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$
Section 31: All
Section 32: $N\frac{1}{2}$, $N\frac{1}{2}SW\frac{1}{4}$

2. That Operator proposes to institute a water flood project on
said unit which would result in the recovery of otherwise unrecoverable
oil, thereby preventing waste. That through unitization the correlative
rights of all interested parties can be adequately and completely
protected. That the approval of unitization for secondary recovery is
in the interest of conservation.

3. That the plan contains a provision for the allocation of
production among the several interest owners. Should any change be
made in such plan, Operator agrees that such changes will be submitted
to the Director of the Division for approval.

4. Operator will submit as an exhibit at the time of hearing a
copy of the unit plan.

WHEREFORE, Applicant prays that the Todd Lower San Andres Unit
Agreement be approved and that a hearing be held by an Examiner of the
Division on March 25, 1981, or as soon thereafter as the same may be
heard.

Respectfully submitted,

LAYTON ENTERPRISES, INC.

By George H. Hunker, Jr.

George H. Hunker, Jr. 3-11-81
Hunker-Fedric, P.A.
P.O. Box 1837
Roswell, New Mexico 88201