W. Thomas Kellahin Karen Aubrey

Jason Kellahin Of Counsel KELLAHIN, KELLAHIN and AUBREY Attorneys at Law El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fé, New Mexico 87504-2265 March 28, 1989

Telephone 982-4285 Area Code 505

HAND-DELIVERED

Mr. William J. LeMay Oil Conservation Division Post Office Box 2088 Santa Fe, New Mexico 87501

Re: Application of McClellan Oil Corporation for Approval of Unit Agreement for the North Roswell State Unit Area, Chaves County, New Mexico

Dear Mr. LeMay:

On behalf of McClellan Oil Corporation, please find enclosed our application for approval of the North Roswell State Unit Agreement.

We would appreciate you having this application set for hearing at the next available Examiner's hearing now scheduled for April 26, 1989.

Verv tr Thomas

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WTK/rs

cc: Jack McClellan

Certified Mail-Return Receipt Parties Listed in Application.

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OIL CONSERVATION DIVISION

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STATE OF NEW MEXICO

DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

OIL CONSERVATION DIVISION

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IN THE MATTER OF THE APPLICATION OF MCCLELLAN OIL CORPORATION FOR APPROVAL OF THE NORTH ROSWELL STATE UNIT, CHAVES COUNTY, NEW MEXICO

OIL CONSERVATION DIVISION

Case No: 7656

APPLICATION

COMES NOW MCCLELLAN OIL CORPORATION, by and through its attorneys, Kellahin, Kellahin & Aubrey, and applies to the New Mexico Oil Conservation Division for an order approving the North Roswell State Unit, comprising 11,653.01 acres, more or less, of State of New Mexico lands in Township 9 South, Range 24 East, NMPM, Chaves County, New Mexico and in sup-

1. Applicant is a majority lessee of the State of New Mexico Oil & Gas leases which are to be dedicated to the proposed North Roswell State Unit.

2. The Applicant proposes to be the operator of the unit and has sufficient voluntary approval of the appropriate interest owners to assure effective and efficient control of unit operations and development. 3. The subject unit is an exploratory unit for all formations and the unit area is all State of New Mexico lands consisting of 11,653.01 acres, more or less, including all of Sections 3 through 10, Sections 16 through 21, and Sections 28 through 30 of Township 9 South, Range 24 East, NMPM, Chaves County, New Mexico all as shown on Exhibit A attached hereto and incorporated by reference herein.

4. The area to be included in the unit is an area which has a reasonable geologic basis for development as an exploratory unit.

5. Pursuant to Division notice rules, copies of this application have been sent to the following parties notifying them of the application and the request for a hearing of this matter on April 26, 1989:

> Koch Industries Inc. P.O. Box 2256 Michita, Kansas 67201 MTS Limited Partnership P.O. Box 2009

One Mesa Square Midland, Texas 79189

Mesa Petroleum Company P.O. Box 2009 One Mesa Square Midland, Texas 79189

Commissioner of Public Lands P.O. Box 1148 Santa Fe, New Mexico 87501

6. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that this matter be set for hearing on April 26, 1989 and that after notice and hearing the application be granted as requested.

Respectfully submitted,

By: Thomas Kellahin W.

Kellahin, Kellahin & Aubrey Post Office Box 2265 Santa Fe, New Mexico 87504

(505) 982-4285

• • UNIT OUTLINE

ALL STATE LANDS TRACT NUMBER

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EXHIBIT "A" THE NORTH ROSWELL STATE UNIT

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