

*MS*

CHRISTY LAW OFFICES

920 UNITED BANK PLAZA

P. O. BOX 569

ROSWELL, NEW MEXICO 88202-0569

TELEPHONE 625-2021  
AREA CODE 505

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SIM B. CHRISTY IV  
ROBERT MATTHEW BRISTOL

RECEIVED

July 12, 1989

JUL 13 1989

OIL CONSERVATION DIV.  
SANTA FE

Case 9738

The Honorable W. R. Humphries  
Commissioner of Public Lands  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: Cato (San Andres) Unit

Dear Commissioner:

We enclose herewith Application, together with supporting information in connection with the application of Kelt Oil & Gas, Inc. for approval of the Unit Agreement for the Cato (San Andres) Unit, together with filing fee in the amount of \$720.00 (24 sections x \$30.00).

Application for approval of the Unit has been made to the ~~OCD~~ and it is our understanding the matter will be heard at ~~Examiner's Hearing on August 29~~; a copy of the Application to the OCD is also enclosed. We would appreciate it if one of your representatives could appear at the OCD hearing in order that you may be fully advised prior to your approval of the Unit.

Respectfully,

CHRISTY LAW OFFICES

By *S. B. Christy IV*  
S. B. Christy IV

SBC/ct  
Enclosures

cc: Bureau of Land Management  
New Mexico Oil Conservation Division  
Kelt (Roswell)  
Kelt (Houston)

BEFORE THE NEW MEXICO STATE LAND OFFICE

Application of Kelt Oil & Gas, Inc.  
for approval of Unit Agreement for  
the Cato (San Andres) Unit

No. 9738

APPLICATION

TO: The Honorable W. R. Humphries  
Commissioner of Public Lands  
State Land Office Building  
Santa Fe, New Mexico

Pursuant to 19-10-45 N.M.S.A. (1978), and the Commissioner's Rule 1.045, Kelt Oil & Gas, Inc. makes application for the Commissioner's approval of the proposed Cato (San Andres) Unit in Chaves County, New Mexico and states:

A. That such Unit Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.

B. That under the proposed unit operation the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed Unit Area.

C. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the Unit Area.

D. That the Unit Agreement is in all other respects for the best interest of the trust.

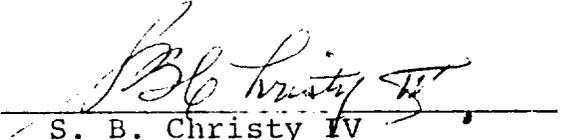
Accompanying this Application is the proposed Unit Agreement and Unit Operating Agreement with their respective Exhibits. Complete geological and engineering data is also submitted herewith. Filing fee in the amount of \$30.00 for each section or fraction thereof within the Unit Area is enclosed herewith. Preliminary approval of the proposed Unit Agreement has been granted by the Bureau of Land Management in a Decision of April 18, 1989, copy of which is attached. Concurrently herewith, Kelt Oil & Gas, Inc. is making application to the New Mexico Oil Conservation Division for its approval of the Unit Agreement and the contemplated waterflood operations.

WHEREFORE, Kelt Oil & Gas, Inc. respectfully requests that the Commissioner of Public Lands of the State of New Mexico approve the proposed Cato (San Andres) Unit Agreement.

Respectfully,

CHRISTY LAW OFFICES

By



S. B. Christy IV  
P. O. Box 569  
Roswell, New Mexico 88202  
(505) 625-2021

SBC/ct

cc: BIM  
GCD  
Kelt (Roswell)  
Kelt (Houston)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office  
P.O. Box 1397  
Roswell, New Mexico 88202-1397



IN REPLY  
REFER TO:

Designation Cato Unit  
3180 (065)

APR 18 1989

APR 14 1989

COPY SENT TO [illegible]

Christy Law Offices  
Attention: S. B. Christy IV  
P. O. Box 569  
Roswell, New Mexico 88202-0569

Gentlemen:

Your application of March 3, 1989, filed with the BLM on behalf of Kelt Oil & Gas, Inc., requests the designation of the Cato Unit area, embracing 15,321.83 acres, more or less, Chaves County, New Mexico, as logically subject to secondary recovery operations under the unitization provisions of the Mineral Leasing Act as amended for secondary unitization.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked "plat 14, Proposed Cato Unit, Kelt Oil and Gas, Inc., Chaves County, New Mexico", is hereby designated as a logical unit area for the San Andres formation.

Your proposed use of the Form of Agreement for Secondary Recovery Areas, will be accepted with the modification requested in your application.

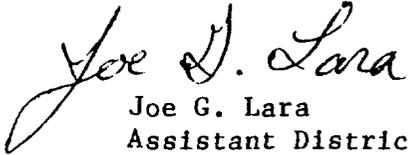
If conditions are such that further modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreements submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form, along with any corrections or revisions previously agreed upon.

Inasmuch as this unit agreement involves State land, we are sending a copy of this letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

Sincerely,

A handwritten signature in cursive script that reads "Joe G. Lara". The signature is written in black ink and is positioned above the typed name and title.

Joe G. Lara  
Assistant District Manager,  
Minerals

**CHRISTY LAW OFFICES**

920 UNITED BANK PLAZA

P. O. BOX 569

ROSWELL, NEW MEXICO 88202-0569



New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503