BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF M	IEWBOURNE	OIL COMPANY
FOR APPROVAL OF	EXPANSION	OF A UNIT AREA,
LEA COUNTY, NEW	MEXICO.	

Case	No			
Case	INU.			

APPLICATION

Mewbourne Oil Company applies for an order approving the Unit Agreement for the proposed expansion of the North Wilson Deep Unit Area, and in support thereof, states:

1. Applicant is a working interest owner in the North Wilson Deep Unit Area, an exploratory unit originally comprising 2,145.95 acres of state land in Lea County, New Mexico, described as follows:

Township 20 South, Range 36 East, NMPM

Section 31:

E/2

Section 32:

W/2

Township 21 South, Range 35 East, NMPM

Section 5:

Lots 1-8, SW/4, and W/2SE/4

Section 6:

Lots 1, 2, 7-10, 15, 16, and SE/4

Section 7:

NE/4

Commission Order No. R-2621, approving the Unit Area, is attached hereto as Exhibit A.

2. Applicant requests the Division's approval to expand the Unit Area to cover the following state lands in Lea County, New Mexico:

Township 20 South, Range 36 East, NMPM

Section 31:

Lots 1-4, E/2W/2, and E/2 (All)

Section 32:

S/2

Township 21 South, Range 35 East, NMPM

Section 4:

Lots 1-16 and S/2 (All)

Section 5:

Lots 1-16 and S/2 (All)

Section 6:

Lots 1, 2, 7-10, 15, 16, and SE/4 (E/2)

Section 7:

E/2

Section 8:

Section 9:

All All

Section 16:	All
Section 17:	All
Section 18:	E/2
Sections 20-22:	All
Section 27:	All
Section 28:	All
Section 29:	N/2
Section 33:	All
Section 34:	All

Township 22 South, Range 35 East, NMPM

Section 3:	Lots 1-4, S/2N/2, and S/2 (All)
Section 4:	Lots 1-4, S/2N/2, and S/2 (All)
Section 10:	W/2
Section 15:	W/2

Containing 13,272.13 acres. A plat of the expanded Unit Area is attached hereto as Exhibit B.

- 3. The primary development objectives in the expanded Unit Area are the Bone Spring and Wolfcamp formations.
- 4. The Commissioner of Public Lands has preliminarily approved the expansion of the Unit Area.
 - 5. Applicant requests that it be named operator of the Unit Area.
- 6. Approval of this application will prevent waste, protect correlative rights, and conserve natural resources.

WHEREFORE, applicant requests that, after hearing, the Division enter its order approving the relief requested herein.

Respectfully submitted,

James Bruce

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Attorney for Mewbourne Oil Company

Entered Federary 14, 1964

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 2960 Order No. R-2621

APPLICATION OF THE BRITISH AMERICAN OIL PRODUCING COMPANY FOR APPROVAL OF THE NORTH WILSON DEEP UNIT AGREE-MENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 16, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of December, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, The British American Oil Producing Company, seeks approval of the North Wilson Deep Unit Agreement covering 2,145.95 acres, more or less, of State land in Township 20 South, Range 36 East, and Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.
- (3) That approval of the proposed North Wilson Deep Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

- (1) That the North Wilson Deep Unit Agreement is hereby approved.
- (2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the

EXHIBIT A

-2-CASE No. 2960 Order No. R-2621

development and operation of the North Wilson Deep Unit Area, and such plan shall be known as the North Wilson Deep Unit Agreement Plan.

- (3) That the North Wilson Deep Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the North Wilson Deep Unit, or relative to the production of oil or gas therefrom.
 - (4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 36 EAST
Section 31: E/2
Section 32: W/2

containing 2,145.95 acres, more or less.

- (b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.
- (5) That the unit operator shall file with the Commission an executed original or executed counterpart of the North Wilson Deep Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- (6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate <u>ipso</u> <u>facto</u> upon the

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termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

ACK M. CAMPBELL Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

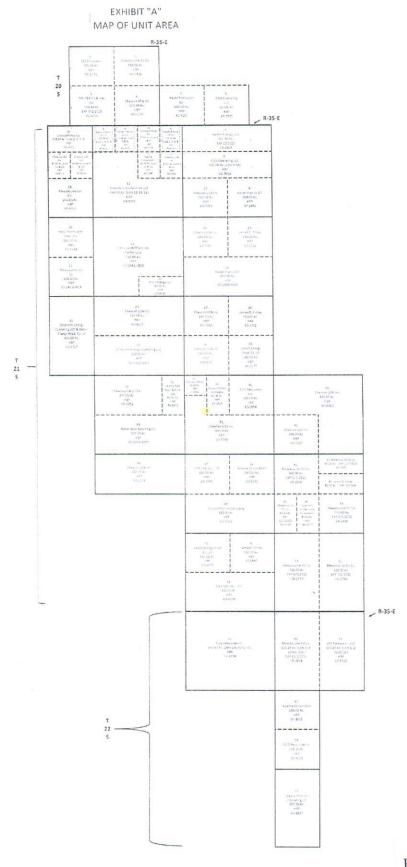


EXHIBIT 7