

HOLLAND & HART LLP



**William F. Carr**  
wcarr@hollandhart.com

January 23, 2004

**RECEIVED**

JAN 26 2004

**HAND DELIVERY**

Ms. Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

*Case 13219*

**Re: Application of Elk Oil Company for approval of a unit  
agreement, Chaves County, New Mexico.**

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Elk Oil Company in the above-referenced case as well as a copy of the legal advertisement. Elk Oil Company requests that this matter be placed on the February 19, 2003 Examiner Hearing docket.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Joseph Kelly, President  
Elk Oil Company  
Post Office Box 310  
Roswell, New Mexico 88202

**Holland & Hart LLP**

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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

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APPLICATION OF ELK OIL COMPANY  
FOR APPROVAL OF A UNIT AGREEMENT,  
CHAVES COUNTY, NEW MEXICO.

Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505  
CASE NO. 13219

**APPLICATION**

ELK OIL COMPANY through its undersigned attorneys, hereby makes application for an order approving its Z-28 State Exploratory Unit and in support of this application states:

1. The proposed Unit Area consists of 2240.00 acres, more or less, of State of New Mexico lands, situated in Chaves County, New Mexico. The horizontal limits of said unit are described as follows:

**Township 10 South, Range 26 East, N.M.P.M.**

Section 11:	All
Section 12:	W/2
Section 13:	All
Section 24:	All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Elk Oil Company, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

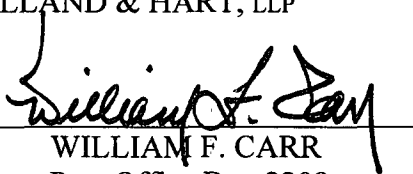
5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Elk Oil Company requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 19, 2004, that notice be given as required by law and the rules of the Division, and that the Z-28 State Exploratory Unit be approved.

Respectfully submitted,

HOLLAND & HART, LLP

By:

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR ELK OIL COMPANY

**CASE NO. 13219:**

**Application of Elk Oil Company for approval of a Unit Agreement, Chaves County, New Mexico.** Applicant seeks approval of the Z-28 State Exploratory Unit for an area comprising 2240.00 acres of State of New Mexico lands in Sections 11, 12, 13 and 24, Township 10 South, Range 26 East, NMPM which is located approximately 25 miles northeast of Roswell, New Mexico.