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and B. Cary, District Production Manager Central Exploration and Production Division

February 5, 1980

File: Myers Langlie Mattix Unit

Langlie Mattix Field Lea County, New Mexico

Re: Request for Division Orders

MYERS LANGLIE MATTIX UNIT WORKING INTEREST OWNWERS

Gentlemen:

The Myers Langlie Mattix Unit became effective February 1, 1974 with Skelly Oil Company (Getty Oil Company) designated as the Unit Operator. Since unitization numerous attempts have been made to obtain ratification of the Unit from all royalty owners. At the present time there are 14 tracts within the Unit which have been ratified by all working interest owners, but not all royalty interest owners have ratified.

It is estimated that approximately 500,000 Bbls. of oil will not be recovered unless the royalty under these tracts are pooled. The unrecovered reserves will be primarily due to the inability of securing a leaseline agreement with the Pearson, Seibert, and Carter Foundation which hinges on the conversion of Well No. 226. This well is the only well on Tract No. 81 which has unsigned royalty interest. Legal implications would disallow our converting this well unless the royalty is forced pooled. Additional unplanned investments in operating cost will be required if these unsigned tracts are not forced pooled. The investment necessary to install new production facilities and modify existing facilities on the 14 tracts will total \$600,000. Additional operating costs to maintain these batteries will be \$90,000 per year.

EXHIBIT	Case No. <u>6987</u> Exercise No. <u>1987</u> Submitted by Statly
8	Hearing Date 8/5/86

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

In order to eliminate the unnecessary expenditures and increase the recovery from this Unit, Getty Oil Company proposes to apply for statutory unitization for the subject Unit. This application will in no way change the existing boundary of the Unit or the current working interest owners participation in the Unit. The overall effect on the existing ratified royalty interest participation will be insignificant as only a few royalty interest owners on 14 tracts have not signed.

In order to prepare for the proposed statutory unitization of this Unit, we are requesting that each working interest owner provide this office with a current division order showing all royalty interest owners and indicating which royalty interest owners have not ratified the Unit Agreement. The Division Orders should include the royalty interest owner's name, current address, unit participation percentage, the tract's in which the royalty owner participates and an indication if the royalty owner has not ratified the Unit Agreement. Your prompt attention and cooperation will help us expedite implementation of this proposal and hearing. Any questions concerning this proposal should be directed to Mr. J. E. Eakin at this office.

Yours very truly,

Gudra B. Cary

JEE:slw

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cc: Mr. R. J. Starrak

Mr. J. E. Eakin