

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION OF  
THE SCARP UNIT AREA,  
CHAVES AND OTERO COUNTIES, NEW MEXICO

To the New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned Standard Oil Company of Texas, with offices at Houston, Texas, and files herewith three copies of a proposed unit agreement for the development and operation of the Scarp Unit Area, Chaves and Otero Counties, New Mexico, and respectfully requests that said unit agreement be approved, and in support thereof shows:

1. That the unit area comprises 63,995.05 acres situated in Townships 19, 20, 21 and 22 South, Ranges 17, 18 and 19 East, Chaves and Otero Counties, New Mexico, as will more particularly appear by the plat attached to the copy of the proposed unit agreement filed herewith as Exhibit "A" and made a part hereof by reference; that of the lands embraced in the proposed unit area 61,633.87 acres are Federal Lands, 2,236.23 acres are State Lands, and 124.95 acres are fee land.

2. That the lands embraced in the unit area were designated by the Acting Director of the United States Geological Survey on March 28, 1947 as logical for inclusion in a unit plan of operation, and all of the lands situated in the unit area are believed to be located upon the same geologic structure.

3. That said unit agreement has been approved as to form by the Department of the Interior and complies with the regulations of the Secretary of the Interior relative to unit agreements, but contains appropriate provisions for joint control between the Secretary of the Interior and the Commissioner of Public Lands in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands, the Secretary of the Interior, and the New Mexico Oil Conservation Commission. Said proposed agreement is made subject to the approval of the Commissioner of Public Lands, the Secretary of the Interior and to the approval of the New Mexico Oil Conservation Commission, after hearing, as provided by law.

4. That the undersigned applicant is designated as unit operator under the terms of said unit agreement, and as such unit operator will have the right to carry on exploration and development work in accordance with the terms of said unit agreement. That applicant, as unit operator, proposes to commence within six months from the effective date of the unit agreement a test well for oil and gas upon some part of the lands embraced in the unit area selected by the unit operator and to drill said well in accordance with the terms of said unit agreement to a depth of not less than 6,500 feet, unless oil or gas in paying quantities is encountered at a lesser depth, or to such a depth as further drilling would not be warranted.

5. That it is believed that operations to be carried on under the terms of said unit agreement will promote the economic and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or

area, if oil or gas should be discovered in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values; and it is further believed that such agreement will be in the interest of conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes of the State of New Mexico.

6. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement, and after the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior of the United States, an approved copy of said agreement will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agreement as provided by the statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said unit agreement be approved by the New Mexico Oil Conservation Commission.

Respectfully submitted,

STANDARD OIL COMPANY OF TEXAS

By 

Vice President

ATTEST:

  
Ant. Secretary.

Subscribed and Sworn ~~to Before~~ To Before Me This 22nd Day of April, 1947.

*M. Bernice Dwyer*  
My Commission Expires June 1, 1947

  
Notary Public