

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF the Application of
JOHN M. KELLY for the approval of a
Unit Agreement embracing the SE $\frac{1}{4}$ of
Section 8, Township 19 South, Range 37
East, N. M. P. M. Lea County, New Mexico

Case
No. 562

APPLICATION

Application is hereby made by John M. Kelly, whose address is Box 5671, Roswell, New Mexico, for the approval by the Commission of a Unit Agreement for the development and operation of a Unit Area in Lea County, New Mexico made and entered into between applicant herein as Unit Operator and R. H. Huston of Hobbs, New Mexico and A. N. Etz and M. W. Coll, of Roswell, New Mexico, owners of all the working interest in the lands embraced in such Unit which are not owned by the applicant herein.

I

The Unit Area embraces the following described lands in Lea County, New Mexico to-wit:

SE $\frac{1}{4}$ of Section 8, Township 19 South, Range 37 East, N. M. P. M. containing 160 acres, more or less, down to and including the depth of 3835 feet below the surface, which includes the Queen gas zone.

II

Applicant hereby requests that this Applicant be set down for hearing at the August hearing date and that at the time of such hearing the requisite number of signed copies of the Unit Agreement will be submitted for approval and filed with the Commission. An unsigned copy of the Unit Agreement is filed herewith for temporary record pending the filing of an executed copies. The Unit Agreement reflects the ownership of all of the working interest under the lands embraced in said Unit and as shown by the Agreement all of the

working interests have been committed to the Unit Agreement, as has all of the royalty interest under the $W\frac{1}{2}SE\frac{1}{4}$ of Section 8 and that Ratifications of the Unit Agreement are being obtained from the owners of the royalty interest under the $E\frac{1}{2}SE\frac{1}{4}$ of Section 8 and will be submitted to the Commission at the time of the hearing. That the form of the Unit Agreement substantially follows those previously considered by the Commission and the development under the Agreement follows the spacing pattern which has been established in the area.

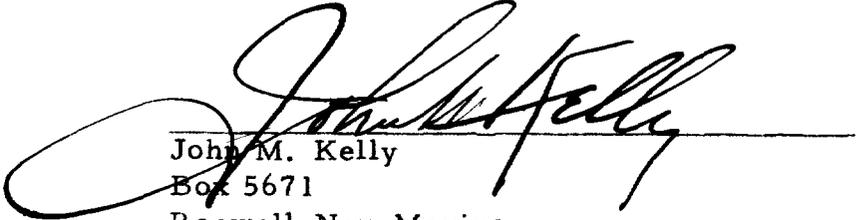
III

That a gas well has been completed by the undersigned applicant, which is located on the $SE\frac{1}{4}SE\frac{1}{4}$ of Section 8 and in order to comply with the spacing requirements, it is necessary to unitize the above described unit area and the Unit Agreement is in all respects to the best interest of the State of New Mexico and will tend to promote the conservation of gas and to eliminate waste.

IV

The Commission is hereby requested to set this Application down for hearing and after such hearing give its formal approval to the Unit Agreement.

Respectfully submitted this 15 day of July, 1953.


John M. Kelly
Box 5671
Roswell, New Mexico