

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
MESCALERO UNIT AGREEMENT
COVERING LANDS IN TOWNSHIP
18 SOUTH, RANGE 34 EAST, AND
TOWNSHIP 19 SOUTH, RANGES 33
AND 34 EAST, N.M.P.M., LEA
COUNTY, NEW MEXICO.

CASE NO. _____

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, Drilling and Exploration Company, Inc., a corporation with offices at Dallas, Texas, and files herewith a copy of the proposed unit agreement for the development and operation of the Mescalero Unit Area, Lea County, New Mexico, and hereby makes application for the approval of said unit agreement as provided by law, and in support thereof, states:

1. That the proposed unit area covered by said agreement embraces 4,988.55 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 18 South, Range 34 East

Section 31 - Lots 3, 4, $E\frac{1}{2}SW\frac{1}{4}$, and $SE\frac{1}{4}$;
Section 32 - $SW\frac{1}{4}$;

Township 19 South, Range 33 East

Section 1 - Lots 1, 2, $S\frac{1}{2}NE\frac{1}{4}$, and $SE\frac{1}{4}$;
Section 12 - $E\frac{1}{2}$;

Township 19 South, Range 34 East

Sections 5, 6, 7, 8, 17, and 18 - All

2. That of the lands embraced within the proposed unit area, 4828.55 acres are Federal lands, and 160 acres are lands of the State of New Mexico. That said area has heretofore, on August 21, 1959, been designated by the Acting Director of the United States

Geological Survey as an area suitable and proper for unitization.

3. That applicant is informed and believes, and upon such information and belief, states: That the proposed unit area covers a substantial part of the geological feature **involved**, and in the event of the discovery of oil or gas thereon, that said unit agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That Drilling and Exploration Company, Inc. is designated as the unit operator in said unit agreement and as such is given authority under the terms thereof to carry on all operations necessary for the development and operation of the unit area for oil and gas, subject to all applicable laws and regulations. That said unit agreement provides for the drilling of an initial test well to a depth sufficient to test the Devonian formation but the unit operator is not required to drill said well in excess of 15,000 feet.

5. That said unit agreement is in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and by the New Mexico Oil Conservation Commission, and it is believed that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said agreement, to the end that the maximum recovery will be obtained, and that said unit agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

6. That application is being made for the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico.

7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement and after approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, an approved copy thereof 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 and that upon said hearing, said unit agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

DATED this the 4th day of August, 1960.

Respectfully submitted,

DRILLING AND EXPLORATION COMPANY, INC.

By 

Hervey, Dow & Hinkle
P. O. Box 547
Roswell, New Mexico

Attorneys for Applicant