

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF MONSANTO COMPANY FOR)
APPROVAL OF UNIT AGREEMENT FOR THE)
DEVELOPMENT AND OPERATION OF THE)
BLACK RIVER UNIT AREA EMBRACING)
14,961.23 ACRES IN TOWNSHIPS 25 AND)
26 SOUTH, RANGES 23 AND 24 EAST,,)
EDDY COUNTY, NEW MEXICO)
_____)

Case 4080

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Monsanto Company of Midland, Texas, acting by and through the undersigned attorneys, and files herewith 3 copies of the proposed Unit Agreement for the Development and Operation of the Black River Unit Area, Eddy County, New Mexico, and respectfully requests that said unit agreement be approved, and in support thereof respectfully shows:

1. That the proposed unit agreement embraces the following described land situated in Eddy County, New Mexico, to-wit:

<u>Township 25 South, Range 23 East</u>	
Sec. 34 - S $\frac{1}{2}$, NE $\frac{1}{4}$	Sec. - 36 - All
Sec. 35 - All	
<u>Township 25 South, Range 24 East</u>	
Sec. 31 - All	
<u>Township 26 South, Range 23 East</u>	
Sec. 1 - All	Sec. 9 - All
Sec. 2 - All	Sec. 10 - All
Sec. 3 - All	Sec. 11 - All
Sec. 4 - All	Sec. 12 - All
Sec. 5 - All	Sec. 13 - All
Sec. 6 - E $\frac{1}{2}$, SW $\frac{1}{4}$	Sec. 14 - All
Sec. 7 - All	Sec. 15 - All
Sec. 8 - All	Sec. 16 - All

Township 26 South, Range 24 East

Sec. 6 - All

Sec. 7 - All

Sec. 18 - All

containing 14,961.23 acres, more or less.

That the above described lands consist of 12,480.63 acres, or 83.4%, of Federal lands; 2,000 acres, or 13.4%, of lands of the State of New Mexico; and 480.60 acres, or 3.2%, of fee or privately owned lands.

2. That the proposed unit area has heretofore, on November 29, 1968, been designated by the Acting Director of the United States Geological Survey as an area logically suitable for development under a unit plan of operation under and pursuant to the Mineral Leasing Act as amended. Said area has also been informally approved by the Commissioner of Public Lands of the State of New Mexico.

3. That the proposed unit area embraces all or substantially all of the geological structure or anomaly and will, in the opinion of applicant, give effective control of the pool or field in the event of the discovery of oil or gas in paying quantities.

4. That Monsanto Company is designated as the unit operator under the terms of the unit agreement and the proposed unit agreement provides for the drilling of an initial test well to be located upon the unit area to a depth sufficient to test the Morrow formation of Pennsylvanian age, but the operator is not required to drill said well to a depth in excess of 7,900 feet. All oil and gas in all formations of the unitized area are unitized under the terms of the unit agreement and the form of unit agreement is substantially the same form as has heretofore been approved by the United States Geological Survey, the Commissioner of Public Lands and the Commission where Federal, State and fee lands are involved. The form of unit agreement has heretofore been approved by the United States Geological Survey and the Commissioner of Public Lands.

5. Applicant believes that in the event unitized substances are discovered on the unit area said unit agreement will be in the interest of conservation and the prevention of waste and will tend to promote the greatest ultimate recovery of unitized substances, as well as protect the correlative rights of all lease, mineral and royalty owners.

6. Applicant requests that this matter be set down for hearing at the last examiner's hearing in March.

Respectfully submitted,

MONSANTO COMPANY

By 

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Attorneys for Applicant