

*Clear  
9/6/77*

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF  
NORTHEAST LYNCH UNIT AGREEMENT  
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, Union Producing Company, with offices at Shreveport, Louisiana, acting by and through the undersigned attorneys, Hervey, Dow & Hinkle of Roswell, New Mexico, and files herewith three copies of the proposed Unit Agreement for the development and operation of the Northeast Lynch Unit area, Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission, and in support thereof states:

1. That the proposed unit area covered by said Agreement embraces 3,040 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 20 South, Range 35 East

Section 8; S $\frac{1}{2}$   
Section 9; S $\frac{1}{2}$   
Section 16; All  
Section 17; All  
Section 20; N $\frac{1}{2}$  and SE $\frac{1}{4}$   
Section 21; All

2. That of the lands embraced in the unit area, 1,160 acres are lands of the State of New Mexico, and 1,880 acres are Federal lands.

3. That the proposed unit area has heretofore been designated by the Director of the United States Geological Survey as an area logically subject to unitization and such area has also been approved by the Commissioner of Public Lands, subject to the approval of the New Mexico Oil Conservation Commission.

4. That applicant is informed and believes and upon such information and belief states that the proposed unit area contains all or substantially all of the geophysical features involved and that 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 unitized substances.

5. That while the Union Producing Company is the proponent of the unit, Jake L. Hamon of Dallas, Texas, is designated as the Unit Operator in the 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; however, the Unit Operator will not be obligated to drill said well in any event to a depth in excess of 15,000 feet.

6. That applicant believes that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the pool or field can be developed more economically and efficiently under the terms of said Unit Agreement, to the end

that the maximum recovery of unitized substances will be obtained and that said Unit Agreement is in the interest of conservation and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes and regulations.

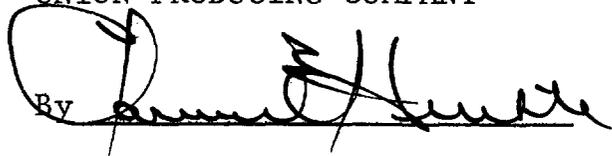
7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement and after approval thereof by the Commissioner of Public Lands of the State of New Mexico, an approved copy will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner 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 the prevention of waste.

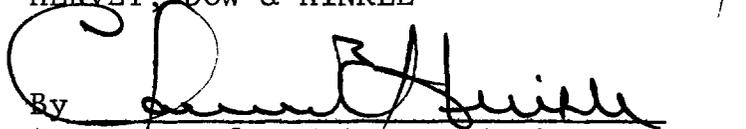
DATED this 5th day of October, 1962.

Respectfully submitted,

UNION PRODUCING COMPANY

By 

HERVEY, DOW & HINKLE

By   
Attorneys for Union Producing Company  
P.O. Box 10  
Roswell, New Mexico