

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE
NORTH ANTELOPE RIDGE UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Shell Oil Company, with offices at Midland, Texas, files herewith one copy of a proposed Unit Agreement for the development and operation of the North Antelope Ridge Unit Area, Lea County, New Mexico, and makes application for approval of said Unit Agreement as provided by law, and in support thereof states:

1. That the proposed Unit Area covered by this agreement embraces 4,480.00 acres of land, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 23 South, Range 34 East

Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 22: All
Section 23: All

Containing 4,480 acres, more or less.

2. That the lands embraced within the proposed unit area contain 1,280 acres of Federal lands, being 28.57% of the area; 2,520 acres of State of New Mexico lands, being 56.25% of the area, and 680 acres of fee or patented lands, being 15.18% of the area.

3. That application is being made for the designation of said unit area and for the approval of the form of Unit Agreement by the Commissioner of Public Lands of the State of New Mexico.

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 geological feature involved, and that in the event of the discovery of oil or gas thereon, that said Unit Agreement will permit the producing areas to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

5. That Shell Oil Company is designated as the Unit Operator in the Unit Agreement, and as such is given authority under the terms of the agreement 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 the Unit Agreement provides for the drilling of an initial test well to a depth sufficient to test the Siluro-Devonian formation, but that applicant is not obligated to drill said well, in any event, to a depth in excess of 14,800 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 field or area can be developed more economically and efficiently under the terms of the Unit Agreement, to the end that the maximum recovery will be obtained of unitized substances, and that the Unit Agreement is in the interest of conservation and 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, and after approval by the United States Department of the Interior, 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 the Unit Agreement, and that upon said hearing, said Unit Agreement be approved by the New Mexico Oil Conservation Commission as being in the interests of conservation and the prevention of waste.

Dated this 17th day of November, 1965.

Respectfully submitted,

SHELL OIL COMPANY

By R. A. Clarke
R. A. Clarke, Western Division Land
Manager, Midland, Texas