

PLAIN OFFICE COPY

BEFORE THE OIL CONSERVATION COMMISSION

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STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
NORTH HUAPACHE UNIT
EDDY COUNTY, NEW MEXICO

Case 3382

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Comes Union Oil Company of California, acting by and through the undersigned attorneys, Hinkle, Bondurant & Christy, of Roswell, New Mexico and files herewith three copies of the proposed Unit Agreement for the Development and Operation of the North Huapache Unit Area, Eddy County, New Mexico, and hereby makes application for 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 shows:

1. That the proposed unit area covered by said Unit Agreement embraces 4480 acres situated in Eddy County, New Mexico, more particularly described as follows:

Township 22 South, Range 22 East, N.M.P.M.
Section 13 - All Section 25 - All
Section 14 - All Section 26 - All
Section 23 - All Section 36 - All
Section 24 - All
containing 4480 acres, more or less

That of the above described lands 3,520 acres, or 78.571%, are Federal lands and 960 acres, or 21.429%, are lands of the State of New Mexico.

2. That applicant is informed and believes and upon such information and belief states that the proposed unit area covers all, or substantially all, of the geological structure or geophysical anomaly involved and that in the event of a discovery of oil or gas

thereon 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.

3. It is contemplated that applicant will be the operator of the unit area and it is proposed to drill a test well pursuant to the terms of said unit agreement on the unit area to a depth sufficient to test the Cisco Canyon formation, but not to exceed a depth of 8,200 feet.

4. Applicant believes that in the event oil or gas in paying quantities is discovered on the lands within the unit area, 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 agreement is in the interest of conservation and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission, statutes and regulations.

5. That upon an order being entered by the Oil Conservation Commission approving said unit agreement and after approval thereof by the Commissioner of Public Lands, an approved copy of said unit agreement 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 upon said hearing the same be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

HINKLE, BONDURANT & CHRISTY

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UNION OIL COMPANY OF CALIFORNIA

By Charles E. Hinkle
Attorney