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May 1, 1969

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New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 4139

Attention: Mr. A. L. Porter, Jr.
Secretary - Director

AM

Gentlemen:

To comply with the Commission's Rule 507, we enclose herewith in triplicate Application for Approval of Unit Agreement relating to the proposed Milnesand (San Andres) Unit in Roosevelt County, New Mexico.

It is our understanding that the matter has been set for Examiner hearing on May 21, 1969 in Santa Fe, New Mexico.

Respectfully,

HINKLE, BONDURANT & CHRISTY

By *S. B. Christy IV*
S. B. Christy IV

SBC:pv

Encls.

cc: Allied Chemical Corporation

NOT POST MAILED
Date 5-9-69

MAY 2 AM 8

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED)
BY THE OIL CONSERVATION COMMISSION)
OF THE STATE OF NEW MEXICO FOR THE)
PURPOSE OF CONSIDERING:)
The Application of Allied Chemical)
Corporation for Approval of the Milnesand)
(San Andres) Unit embracing 5,370.18 acres)
of Federal and Fee Land in Township 8 South,)
Ranges 34 and 35 East, N.M.P.M., Roosevelt)
County, New Mexico.)

Case No. 4139

New Mexico Oil Conservation Commission
Santa Fe
New Mexico 87501

COMES NOW Allied Chemical Corporation and pursuant to the Commission's Rule 507 hereby requests approval of the Unit Agreement for the Milnesand (San Andres) Unit and in support thereof states:

1. The proposed unit area covered by the Unit Agreement embraces 5,370.18 acres, more or less, more particularly described as follows:

- Township 8 South, Range 34 East, N.M.P.M.
 - Section 12: NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ ✓
 - Section 13: All ✓
 - Section 14: E $\frac{1}{2}$ ✓
 - Section 23: NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ ✓
 - Section 24: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ ✓
 - Section 25: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ ✓
- Township 8 South, Range 35 East, N.M.P.M.
 - Section 5: SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ ✓
 - Section 6: S $\frac{1}{2}$ S $\frac{1}{2}$ ✓
 - Section 7: All ✓
 - Section 8: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ ✓
 - Section 18: All ✓
 - Section 19: All ✓
 - Section 20: W $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ ✓

2. That the lands embraced within the proposed unit area constitute 2,586.94 acres of Federal land and 2,783.24 acres of fee land.

3. Applicant is informed and believes and upon information and belief states: That the proposed unit area covers substantially all of the geological features involved, and that the Unit Agreement will permit the producing area to be developed and operated in the interest of conservation and the protection of waste of unitized substances and will not violate the correlative rights of any of the interested parties.

4. That Allied Chemical Corporation is designated as 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 unitized substances subject to all applicable laws and regulations.

5. That the Unit Agreement is substantially in the same form as unit agreements heretofore approved by the Oil Conservation Commission, and it is believed and stated that the unitized area can be developed more economically and efficiently under the terms of the Unit Agreement to the end that the maximum recovery of hydrocarbons will be obtained.

6. That the form of the Unit Agreement has heretofore been approved by the United States Geological Survey of the Department of Interior, United States of America, and upon final approval by said agency, a true copy of the Approval will be furnished to the Oil Conservation Commission.

7. That upon an Order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval thereof by said United States Geological Survey, and recording thereof all as contemplated by Section 23 of the Unit Agreement, a true copy of the Unit Agreement and all ratifications thereof, reflecting the foregoing recording information will be filed with the New Mexico Oil Conservation Commission.

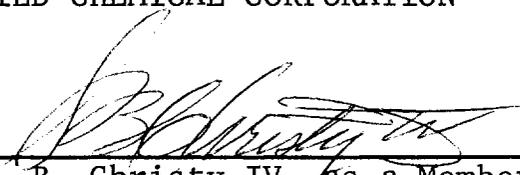
WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter for the approval of said Unit Agreement and that upon said hearing that said Unit Agreement be approved by the New Mexico Oil Conservation Commission in accordance with its Rule 507.

DATED this first day of May, 1969.

Respectfully submitted,

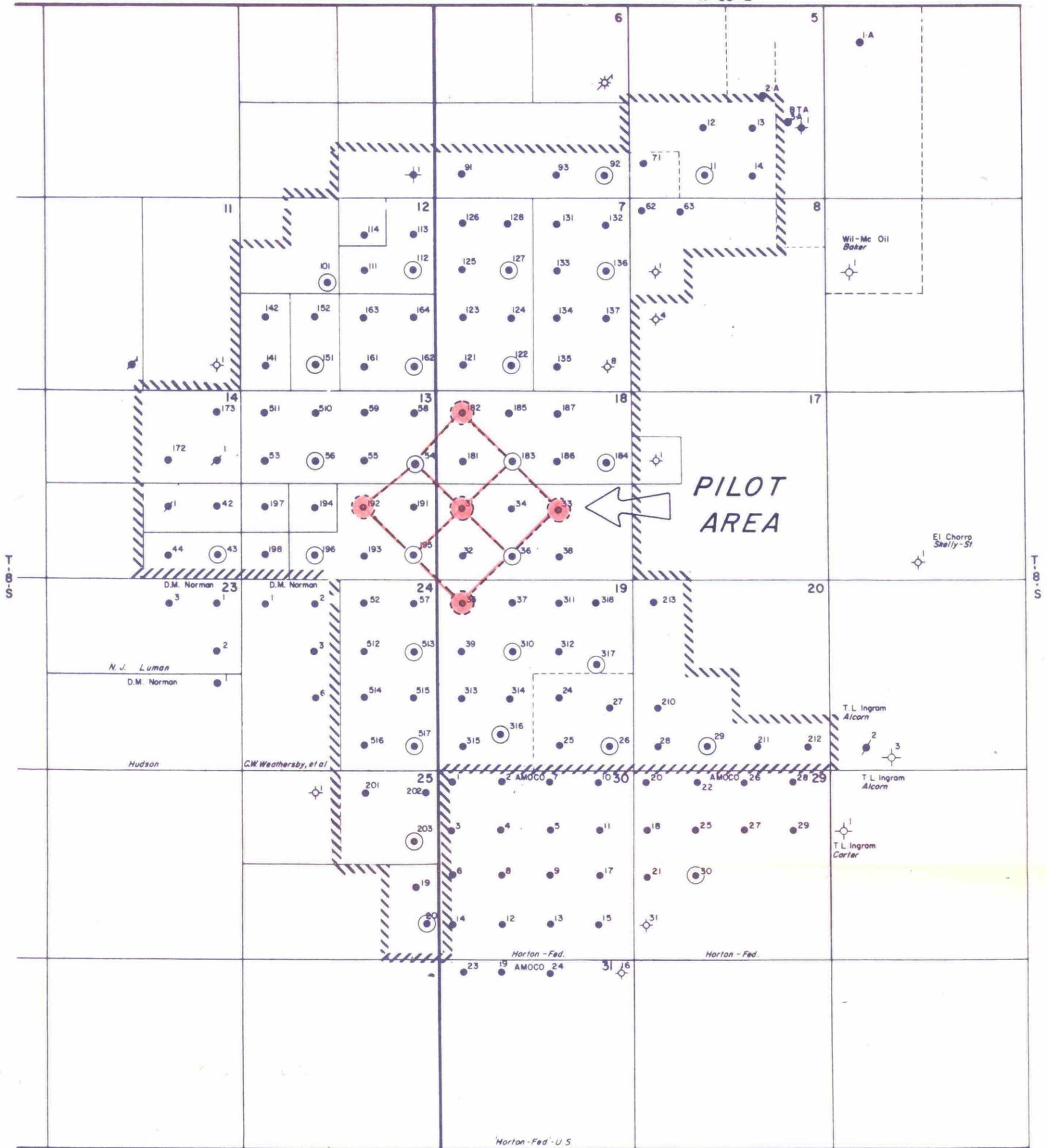
ALLIED CHEMICAL CORPORATION

By


S. B. Christy IV, as a Member of
the Firm of Hinkle, Bondurant &
Christy
P. O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

R-34-E

R-35-E



R-34-E

R-35-E

- LEGEND**
- INJECTION WELL
 - PRODUCING WELL
 - ⊙ TEMPORARILY ABANDONED
 - ⊙ PERMANENTLY ABANDONED
 - ⊙ DRY HOLE
 - /// UNIT BOUNDARY

● TO BE CONVERTED TO INJECTION



UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

MILNESAND (SAN ANDRES) UNIT
ROOSEVELT COUNTY, NEW MEXICO

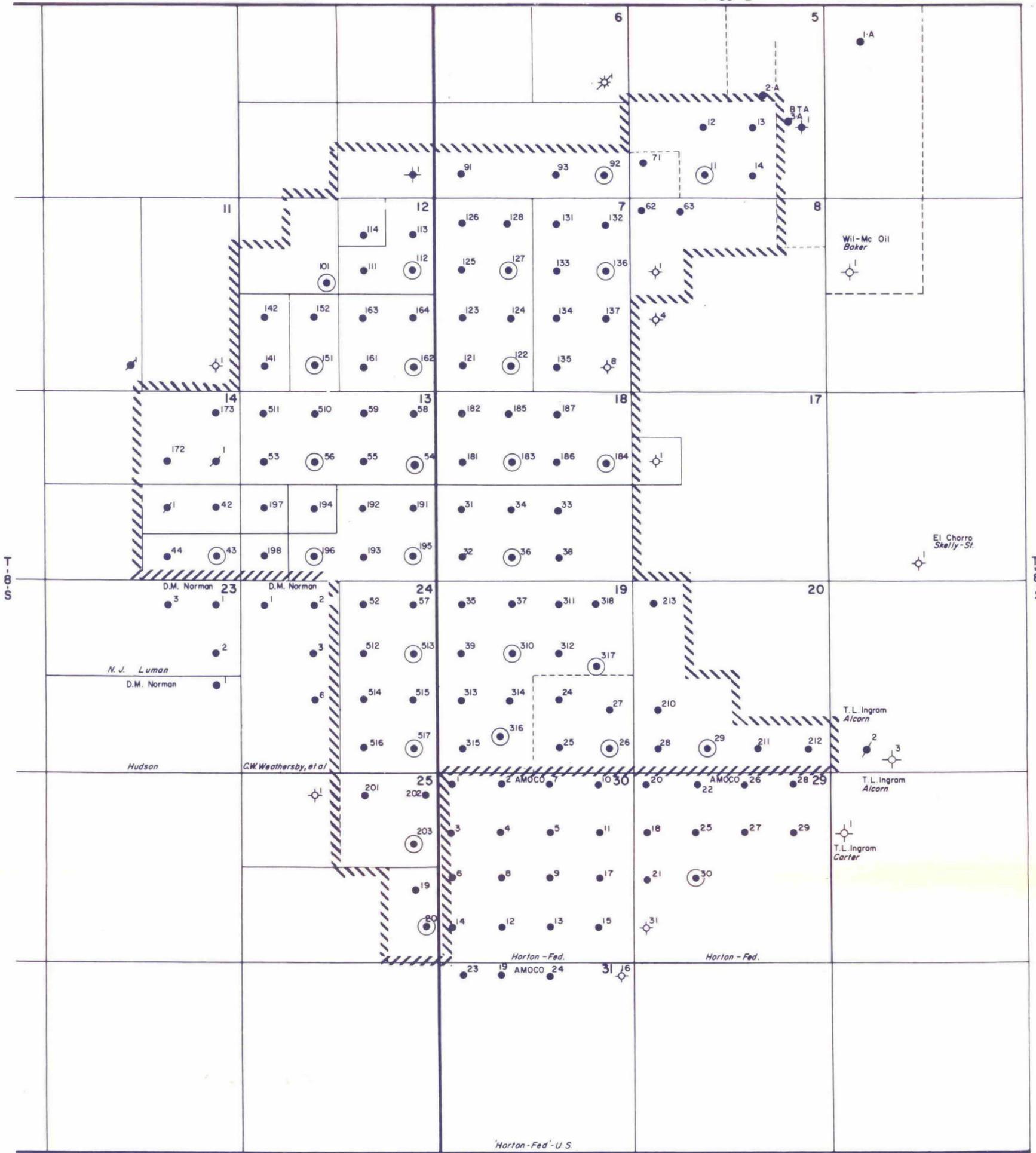
FIVE SPOT PATTERN

SCALE IN FEET
2000 1000 0 2000 4000

N. H. M. MIDLAND DISTRICT 5-5-76

R-34-E

R-35-E



R-34-E

R-35-E

LEGEND

- INJECTION WELL
- PRODUCING WELL
- TEMPORARILY ABANDONED
- PERMANENTLY ABANDONED
- DRY HOLE
- /// UNIT BOUNDRY



UNION TEXAS PETROLEUM
A DIVISION OF ALLIED CHEMICAL CORPORATION

MILNESAND (SAN ANDRES) UNIT
ROOSEVELT COUNTY, NEW MEXICO

SCALE IN FEET
2000 1000 0 2000 4000

MIDLAND DISTRICT

RECEIVED

736 21976

OIL CONSERVATION COMM.
HOBBS, N. M.