

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
APPLICATION FOR APPROVAL OF
ROUND MOUNTAIN UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

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New Mexico Oil Conservation Commission

Santa Fe, New Mexico 87501

Comes the undersigned, American Trading and Production Corporation with offices at Midland, Texas, and files herewith one copy of the proposed Unit Agreement for the development and operation of the Round Mountain Unit Area, Eddy County, New Mexico, and hereby 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 said Agreement embraces 5,757.25 acres of land, more or less, more particularly described as follows:

Township 21 South, Range 25 East, NMPM

Sections 19, 20, 21: All

Sections 28, 29, 30: All

Sections 31, 32, 33: All

Eddy County, New Mexico

2. That of the lands embraced within the proposed unit, 840.00 acres are State of New Mexico Lands, being 14.59% of the Area; 4,758.72 acres are Lands of the United States, being 82.66% of the Area; and 158.53 acres are patented or fee land, being 2.75% of the Unit area.

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

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 feature involved, and that in the event of a 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 the unitized substances.

4. That American Trading and Production Corporation is designated as the 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 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 lower Morrow formation, but applicant is not obligated to drill said well in any event to a depth in excess of 10,500 feet.

5. That applicant believes that in the event oil or gas is discovered in paying quantities on lands within the Unit Area, that the field or area can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that maximum recovery will be obtained of unitized substances and that said Unit Agreement is in the interest of conservation of prevention of waste as contemplated by the New Mexico Oil Conservation rules and regulations.

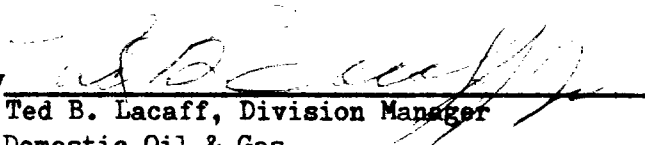
6. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval thereof by the Commissioner of Public Lands of the State of New Mexico and after approval by the United States Department of Interior, an approved copy will be filed with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


7. Wherefore, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter 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. Applicant respectfully requests that his matter be heard at the hearing scheduled for June 7, 1972.

Dated this 19th day of May, 1972.

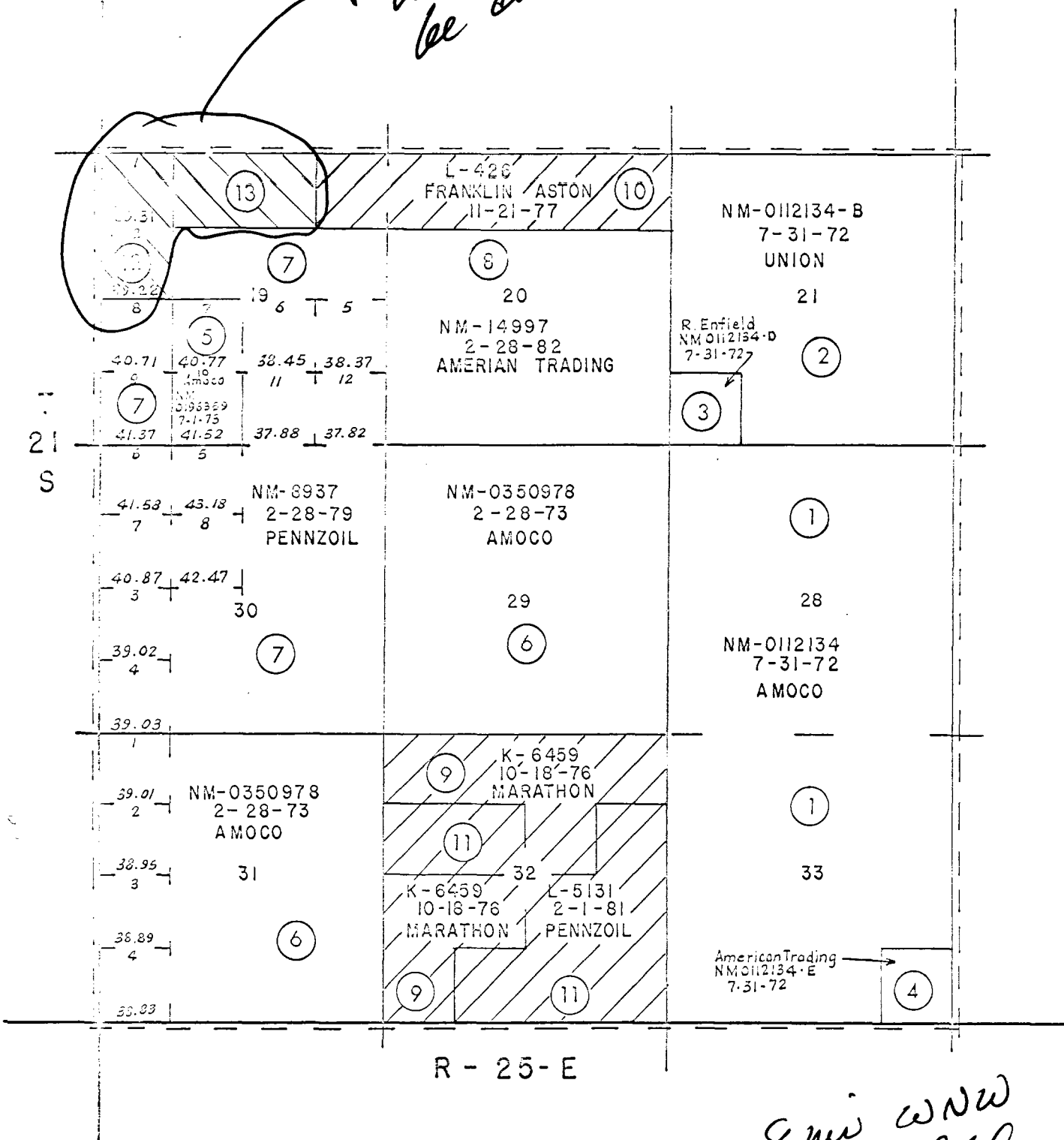
AMERICAN TRADING AND PRODUCTION CORPORATION

By


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Midland, Texas 79701


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*probably
will not
be committed*



- OUTLINE OF UNIT AREA
- TRACT NUMBER
- FEDERAL LANDS 4,758.72 ACRES
82.66 % OF UNIT AREA
- ▨ STATE OF NEW MEXICO LANDS, 840.00 ACRES
14.59 % OF UNIT AREA
- ▨ PATENTED (FEE) LANDS, 158.53 ACRES
2.75 % OF UNIT AREA
- TOTAL 5,757.25 Acres

Federal Leases

NM-0112134
NM-0112134-B
NM-0112134-D
NM-0112134-E
NM-0196359
NM-0350978
NM-8937
NM-14997

EXHIBIT "A"
ROUND MOUNTAIN UNIT AREA

Eddy County, New Mexico

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*8 mi WNW
of Chd.*

SCHEDULE OF LANDS AND LEASES
ROUND MOUNTAIN UNIT AREA
Eddy County, New Mexico

EXHIBIT "B"

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Tract No.	Description	Number of acres	Lease Serial No. Expiration Date	Basic Royalty and Percent	Lessee of Record	Interest	Overriding Royalty Owner and Percentage		Working Interest Owner and Percentage	
<u>FEDERAL LANDS</u>										
1.	All lands in T-21-S, R-25-E Sec. 28: All Sec. 33: NW $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$	1,240.00	NM-0112134 7/31/72	U. S. A. 12.5	Amoco Production Co.	All	George E. Conley	5.00	Amoco Production Co.	All
2.	Sec. 21: NW $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	600.00	NM-0112134-B 7/31/72	U. S. A. 12.5	Union Oil Co. of Calif.	All	Estate Ralph Lowe	5.00	Surface to Base of Devonian Formation Union Oil Co. of Calif. Hanagan & Hanagan Below Base of Devonian Union Oil Co. of Calif.	50% 50% 50%
3.	Sec. 21: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	NM-0112134-D 7/31/72	U. S. A. 12.5	Robert N. Enfield	All	Estate Ralph Lowe	5.00	Robert N. Enfield	All
4.	Sec. 33: SE $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	NM-0112134-E 7/31/72	U. S. A. 12.5	American Trading & Production Corp. David Fasken	50.00 50.00	George E. Conley	5.00	American Trading & Production Corp. David Fasken	50.00 50.00
5.	Sec. 19: Lots 7, 10	82.29	NM-0196359 6/30/73	U. S. A. 12.5	Amoco Production Co.	All	Paul Walton Thomas Kearns Jerome Grunand	2.25 2.25 .50	Amoco Production Co.	All
								5.00		

6.	Sec. 29: All Sec. 31: Lots 1,2, 3,4, E $\frac{1}{4}$ N $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (All)	1,275.68	NM-0350978 1/31/73	U. S. A. 12.5	Amoco Production Co.	All	Hugh Kirkpatrick	5.00	Amoco Production Co.	All
7.	Sec. 19: Lots 5,6, 1,000.75 8,9,11,12, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 30: Lots 3,4,5,6, 7,8, E $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ (All)		NM-8937 2/28/79	U. S. A. 12.5	Pennzoil United, Inc.	All	Thomas Allen \$750 per ac. out of 4.00 Robinson Royalty Club \$750 per ac. out of .50 Tom L. Ingram \$750 per ac. out of .0625 Robert H. Cress \$750 per ac. out of $\frac{.4375}{5.0000}$		Pennzoil United, Inc. Prudential Funds, Inc.	62.50 37.50
8.	Sec. 20: S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$	480.00	NM-14997 3/1/82	U. S. A. 12.5	American Trading & Production Corp. David Fasken	50.0 50.0	John B. Vreeland	4.00	American Trading & Production Corp. David Fasken	50.00 50.00
TOTAL		4,758.73 acres, Federal Lands								
STATE OF NEW MEXICO LANDS										
9.	Sec. 32: N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$	320.00	K-6459 10/18/76	State 12.5	Marathon Oil Co.	All	None		Marathon Oil Co.	All
10.	Sec. 19: NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 20: N $\frac{1}{2}$ N $\frac{1}{2}$	200.00	L-426 11/21/77	State 12.5	Franklin, Aston, & Fair	All	Robert B. Gates	5.00	Franklin, Aston, & Fair	All

Correct 4-9-89

11. Sec. 32: S ¹ / ₄ NW ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄ , SE ¹ / ₄ , SE ¹ / ₄ SW ¹ / ₄	320.00	L-5131	State 12.5	Pennzoil United, Inc.	All	None	Pennzoil United Inc. Prudential Funds, Inc.	62.50 37.50
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TOTAL 840.00 acres, State of New Mexico Lands

PATENTED (FEE) LANDS

12. Sec. 19: NE ¹ / ₄ NW ¹ / ₄ , NW ¹ / ₄ NE ¹ / ₄	80.00	Fee 10/26/72	Richard I. Floyd Virginia Shafer Nymeyer Raymond A. Shafer, Jr. Marjorie S. Tansey	1/2 1/6 1/6 1/6	None
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13. Sec. 19: Lots 1,2	78.53	Fee 9/27/72 10/17/72	Pardue Farms, a p/s Dorothy Swigart Carlson Leona L. Stagner Marilyn T. Joyce Merland, Inc. June Joyce Kugeler Carmex, Inc. Trustees of the E. C. Phillips Trust Trustee of the J. M. Phillips Trust Melton Winfield James Melton Winfield Jerry Phillips Winfield	18.06% 18.06% 9.03% 24.23% 7.20% 7.20% 7.20% 3.61% 1.81% 1.20% 1.20% 1.20%
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TOTAL 158.53 acres, Patented (Fee) Lands

RECAPITULATION

4,758.72 Acres Federal Lands, 82.55% of the Unit	4,758.72
840.00 Acres State Lands 14.59% of the Unit	840.00
158.53 Acres Fee Lands 2.75% of the Unit	158.53
	5,757.25
	100.00%

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