

Case 5-095

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL COMPANY FOR
APPROVAL OF A UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

A P P L I C A T I O N

5363.52
80.80
400.00
5843.52

COMES NOW CITIES SERVICE OIL COMPANY and applies to
the Oil Conservation Commission of New Mexico for approval
of the Loafer Draw Unit Agreement, Eddy County, New Mexico,
and in support thereof would show the Commission:

1. Applicant proposes the formation of the Loafer
Draw Unit as an exploratory unit. The proposed unit will
consist of ^{5843.52}5,842.52 acres, consisting of 5,363.52 acres
of Federal land, or 91.7858 per cent; 80 acres of fee
lands, or 1.3690 per cent; and 400 acres of State of New
Mexico land, or 6.8452 per cent.

2. Lands to be included in the unit are more specifi-
cally described as follows:

Township 21 South, Range 21 East, N.M.P.M., Eddy County

Section 12 - All
Section 13 - All

Township 21 South, Range 22 East, N.M.P.M., Eddy County

Section 7 - All
Section 8 - All
Section 9 - W/2
Section 16 - W/2
Section 17 - All
Section 18 - All
Section 19 - All
Section 20 - All
Section 21 - W/2

3. Applicant proposed an initial test well to be
drilled to a depth of approximately 8,850 feet, or suffi-
cient depth to test the Morrow formation. Said well to be

DOCKET MAILED

Date 10-19-13

located 1980 feet from the South line and 1980 feet from the East line of Section 17, Township 21 South, Range 22 East.

4. The proposed unit, as an exploratory unit, is in the interests of conservation, will prevent waste, and the correlative rights of all owners affected will be protected.

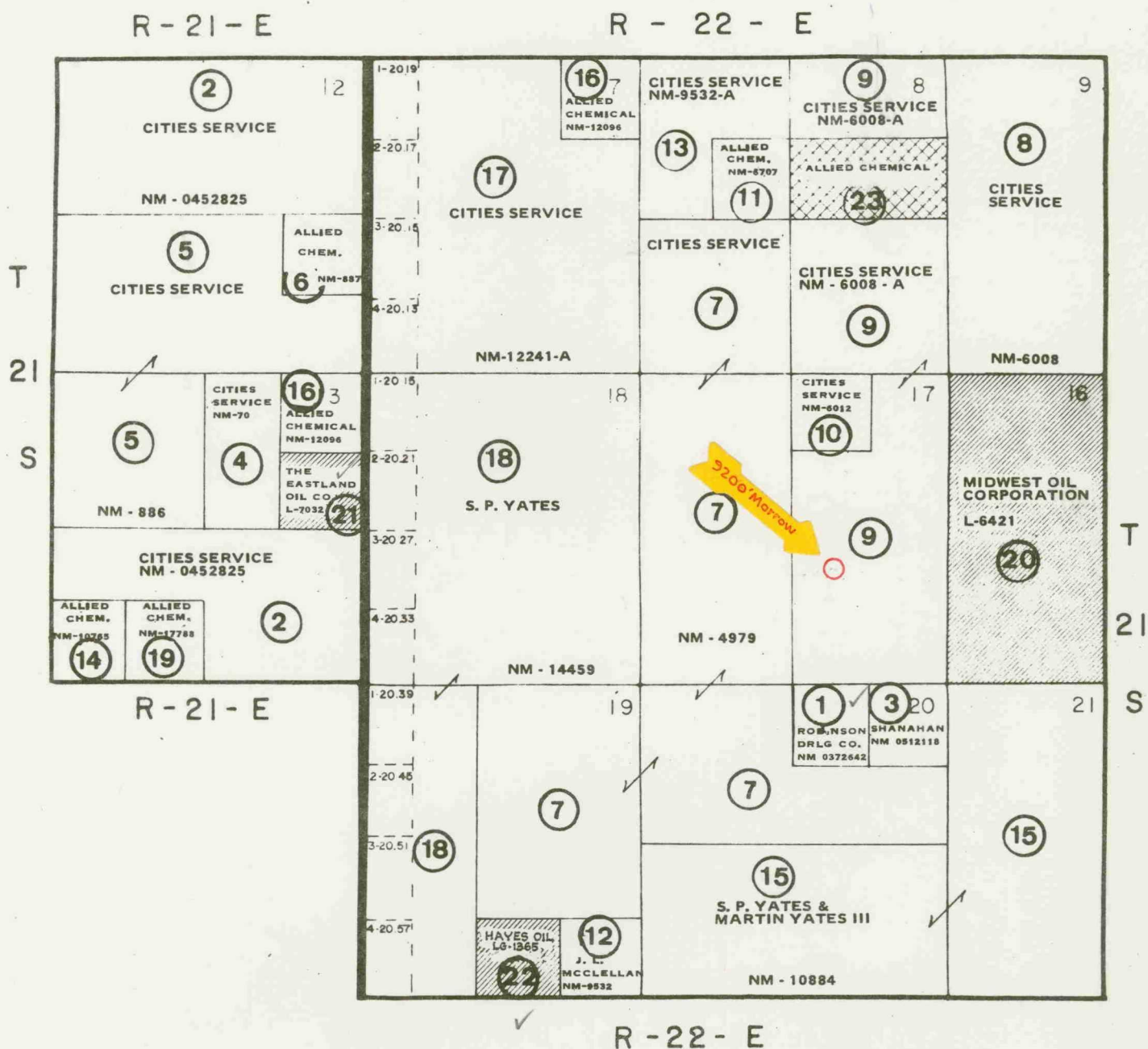
WHEREFORE applicant requests that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the Loafer Draw Unit agreement.

Respectfully submitted,

CITIES SERVICE OIL COMPANY

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT



Federal Land 5,363.52 Ac - 91.7858 %

Fee Land 80.00 Ac - 1.3690 %

State Land 400.00 Ac - 6.8452 %

Total 5,843.52 Ac - 100.0000 %

Case 5095

Case 5095

EXHIBIT B
Loafer Draw Unit Area
T-21-S, R-21 & 22-E
Eddy County, New Mexico

Tract No.	Description of Land	Number of Acres	Lease Serial No., Exp. Date	Basic Royalty Owner	%	Lessee of Record	Int.	Overriding Royalty Owner and %	WI Owner and %	
1.	T-21-S, R-22-E Section 20: NW/4 NE/4	40.00	NM-0372642 11/11/74	USA	12.5%	Robinson Drilling Company of Texas, Inc.	100%	None	Robinson Drilling Company of Texas, Inc.	100%
2.	T-21-S, R-21-E Section 12: N/2 Section 13: SE/4, N/2 SW/4	560.00	NM-0452825 11/30/73	USA	12.5%	Cities Service Oil Company	100%	O. Thorn and P. Ijams - M. J. Harvey, Jr. -	1% Cities Service Oil Company 1% Company	100%
3.	T-21-S, R-22-E Section 20: NE/4 NE/4	40.00	NM-0512118 2/28/74	USA	12.5%	Illabelle Shanahan	100%	None	Illabelle Shanahan	100%
4.	T-21-S, R-21-E Section 13: W/2 NE/4	80.00	NM-70 7/31/76	USA	12.5%	Cities Service Oil Company	100%	Edmund B. MacDonald, et ux -	3% Cities Service Oil Company	100%
5.	T-21-S, R-21-E Section 12: SW/4, W/2 SE/4, SE/4 SE/4 Section 13: NW/4	440.00	NM-886 11/30/76	USA	12.5%	Cities Service Oil Company	100%	W. R. Goddard, et ux -	3% Cities Service Oil Company	100%
6.	T-21-S, R-21-E Section 12: NE/4 SE/4	40.00	NM-887 11/30/76	USA	12.5%	Allied Chemical Corporation	100%	Jack J. Grynberg - Melvin Unterman -	3.125% Allied Chemical Corporation 3.125% Corporation	100%
7.	T-21-S, R-22-E Section 8: SW/4 Section 17: W/2 Section 19: NE/4, N/2 SE/4 Section 20: NW/4, S/2 NE/4	960.00	NM-4979 3/31/78	USA	12.5%	Cities Service Oil Company	100%	A. G. Andrikopoulos - John G. Andrikopoulos, et ux -	2 1/2% Cities Service Oil Company 1/4 of 1%	100%

Tract No.	Description of Land	Number of Acres	Lease Serial No., Exp. Date	Basic Royalty Owner	%	Lessee of Record	Int.	Overriding Royalty Owner and %	Oil Owner and %
8.	T-21-S, R-22-E Section 9: W/2	320.00	NM-6008 5/31/78	USA	12.5%	Citties Service Oil Company	100%	William L. McCullough, et ux - Ray C. Van Tassel -	1% 2% Citties Service Oil Company
9.	T-21-S, R-22-E Section 8: N/2 NE/4, SE/4 Section 17: E/2 NE/4, SW/4 NE/4, SE/4	520.00	NM-6008-A 5/31/78	USA	12.5%	Citties Service Oil Company	100%	William L. McCullough, et ux - Ray C. Van Tassel, Sr. -	3% 2% Citties Service Oil Company
10.	T-21-S, R-22-E Section 17: NW/4 NE/4	40.00	NM-6012 5/31/78	USA	12.5%	Citties Service Oil Company	100%	Aage Madsen, et ux -	3% Citties Service Oil Company
11.	T-21-S, R-22-E Section 8: SE/4 NW/4	40.00	NM-6707 6/31/78	USA	12.5%	Allied Chemical Corporation	100%	Marion K. Gray -	6.25% Allied Chemical Corporation
12.	T-21-S, R-22-E Section 19: SE/4 SE/4	40.00	NM-9532 5/31/79	USA	12.5%	Jack L. McClellan	100%		Jack L. McClellan 100%
13.	T-21-S, R-22-E Section 8: W/2 NW/4, NE/4 NW/4	120.00	NM-9532-A 5/31/79	USA	12.5%	Citties Service Oil Company	100%	Jack L. McClellan, et ux -	5% Citties Service Oil Company
14.	T-21-S, R-21-E Section 13: SW/4 SW/4	40.00	NM-10765 11/30/79	USA	12.5%	Allied Chemical Corporation	100%	Celeste C. Grynberg -	6.25% Allied Chemical Corporation
15.	T-21S, R-22-E Section 20: S/2 Section 21: W/2	640.00	NM-10884 12/31/79	USA	12.5%	Martin Yates, III S. P. Yates	50% 50%	Charles R. Wilcox, et ux -	3% Martin Yates, III S. P. Yates 50%
16.	T-21-S, R-21-E Section 13: NE/4 NE/4; T-21-S, R-22-E Section 7: NE/4 NE/4	80.00	NM-12096 7/31/80	USA	12.5%	Allied Chemical Corporation	100%	F. J. Bradshaw, et ux -	5% Allied Chemical Corporation 100%

Tract No.	Description of Land	Number of Acres	Lease Serial No., Exp. Date	Basic Royalty Owner	%	Lessee of Record	Int.	Overriding Royalty Owner and %	WI Owner and %
17.	T-21-S, R-22-E Section 7: Lots 1, 2, 3, 4, E/2 W/2, W/2 E/2, SE/4 NE/4, E/2 SE/4	520.64	NM-12241-A 8/31/80	USA	12.5%	Cities Service Oil Company	100%	Ambrose M. Ciano, et ux - 3%	Cities Service Oil Company 100%
18.	T-21-S, R-22-E Section 18: Lots 1, 2, 3, 4, E/2 W/2, E/2 Section 19: Lots 1, 2, 3, 4, E/2 W/2	802.88	NM-14459 11/30/81	USA	12.5%	S. P. Yates	100%	None	S. P. Yates 100%
19.	T-21-S, R-21-E Section 13: SE/4 SW/4	40.00	NM-17788 2/28/83	USA	12.5%	Allied Chemical Corporation	100%	Ralph Gray - 6.25%	Allied Chemical Corporation 100%
TOTAL FEDERAL LANDS		5,363.52	(91.7858%)						
20.	T-21-S, R-22-E Section 16: W/2	320.00	L-6421 7/31/81	State	12.5%	Midwest Oil Corporation	100%	None	Midwest Oil Corporation 100%
21.	T-21-S, R-21-E Section 13: SE/4 NE/4	40.00	L-7032 1/31/82	State	12.5%	The Eastland Oil Company	100%	None	The Eastland Oil Company 100%
22.	T-21-S, R-22-E Section 19: SW/4 SE/4	40.00	LG-1365 10/1/83	State	12.5%	Hayes Oil Company	100%	None	Hayes Oil Company 100%
TOTAL STATE LANDS		400.00	(6.8452%)						
23.	T-21-S, R-22-E Section 8: S/2 NE/4	80.00	Fee 10/11/79	Ralph A. Vandewart, III	12.5%	Allied Chemical Corporation	100%	David J. Sorenson, et ux - 6.25%	Allied Chemical Corporation 100%
TOTAL PATENTED LANDS		80.00	(1.3690%)						
TOTAL LANDS		5,843.52	(100.0000%)						

Case 5095

EXHIBIT "A" - Attached to and made a part of Operating Agreement dated October 15, 1973, between CITIES SERVICE OIL COMPANY, as Operator, and S. P. YATES, et al, as Non-Operators.

(1) LANDS SUBJECT TO CONTRACT (Unit Area):

All of Sections 12 and 13, Township 21 South, Range 21 East;
All of Sections 7 and 8, the W/2 of Section 9, the W/2 of
Section 16, all of Sections 17, 18, 19, 20, and the W/2 of
Section 21, all in Township 21 South, Range 22 East, Eddy
County, New Mexico.

(2) CONTRIBUTIONS AND INTERESTS OF THE PARTIES:

<u>Parties</u>	<u>Acreage</u>	<u>Percentage</u>
Cities Service Oil Company	3,560.64	60.93313% —
S. P. Yates	1,122.88	19.21582% —
Martin Yates, III	320.00	5.47615% —
Midwest Oil Corporation	320.00	5.47615% —
Allied Chemical Corporation	320.00	5.47615% —
Jack L. McClellan	40.00	.68452% —
Eastland Oil Company	40.00	.68452% —
Robinson Drilling Company of Texas, Inc.	40.00	.68452% —
Illabelle Shanahan	40.00	.68452% —
Hayes Oil Company	40.00	.68452% —
	5,843.52	100.00000%

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(3) ADDRESSES OF PARTIES TO WHICH NOTICES SHOULD BE SENT:

Allied Chemical Corporation 1300 Wilco Building Midland, Texas 79701 Attn: Mr. Don F. Dow	Midwest Oil Corporation 1500 Wilco Building Midland, Texas 79701 Attn: Mr. Tom Coleman
Cities Service Oil Company P. O. Box 300 Tulsa, Oklahoma 74102 Attn: Manager, Land Department	Robinson Drilling Company of Texas, Inc. 306 Permian Building Big Spring, Texas 79720
Eastland Oil Company 704 Western United Life Building Midland, Texas 79701	Ms. Illabelle Shanahan P. O. Box 1272 Salt Lake City, Utah 84110
Hayes Oil Company 1402 Gihls Tower West Midland, Texas 79701 Attn: Mr. James C. Hayes	Martin Yates, III Yates Building Artesia, New Mexico 88210
Mr. Jack L. McClellan P. O. Box 848 Roswell, New Mexico 88201	S. P. Yates Yates Building Artesia, New Mexico 88210