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December 6, 1973

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Case 5132

Gentlemen:

We enclose herewith in triplicate application of American Quasar Petroleum Co. of New Mexico for approval of the White City Unit Agreement, together with 3 copies of the proposed form of unit agreement. We would appreciate having this matter set down for hearing at an examiner's hearing in January, 1974.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
CS

CEH:cs
Enc.

DOCKET MAILED

DOCKET MAILED

Date

1-18-74

Date

12-18-73

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF AMERICAN QUASAR
PETROLEUM CO. OF NEW MEXICO FOR
APPROVAL OF THE UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE WHITE CITY UNIT AREA
EMBRACING 5,119.96 ACRES IN
TOWNSHIP 25 SOUTH, RANGES 25 *and 26*
EAST, N.M.P.M. EDDY COUNTY, NEW
MEXICO.

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Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes American Quasar Petroleum Co. of New Mexico, acting by and through the undersigned attorneys, and hereby makes application for approval of the Unit Agreement for the Development and Operation of the White City Unit Area embracing 5,119.96 acres in Township 25 South, Range 25 East, N.M.P.M. Eddy County, New Mexico, hereby files three copies of the proposed unit agreement, and in support thereof respectfully shows:

1. The proposed unit area is comprised of 4,120 acres, or 80.47% of federal lands, 640.56 acres, or 12.51% of state lands, and 359.40 acres, or 7.02% of fee or privately owned lands, containing in all 5,119.96 acres. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat of the proposed unit area showing the ownership of all oil and gas leasehold interests within the proposed unit area.

2. The proposed unit agreement is in substantially the same form as unit agreement heretofore approved by the Commission where federal, state and fee lands are involved.

3. The proposed unit area has been informally approved by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico as an area suitable and proper for unitization.

4. It is believed that the proposed unit area covers all, or substantially all, of the geological feature or anomaly involved. Applicant is designated as the unit operator and the unit agreement provides that the unit operator will commence a well within 6 months from the effective date of the unit and drill the same with due diligence to a depth sufficient to test the base of the Morrow formation, but will not be required to drill a well in excess of 11,700 feet.

5. It is anticipated that 100% of the working interest owners as shown on Exhibit "B" attached to the unit agreement will commit their respective interests to the unit.

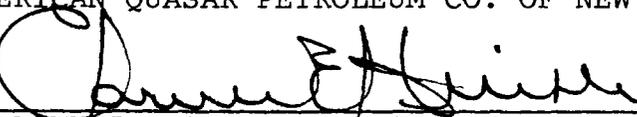
6. Applicant believes that approval of the unit agreement will be in the interest of conservation, the prevention of waste and will tend to protect correlative rights.

7. Applicant requests that this matter be set for hearing before an examiner in January, 1974.

Respectfully submitted,

AMERICAN QUASAR PETROLEUM CO. OF NEW MEXICO

By



HINKLE, BONDURANT, COX & EATON
P.O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant