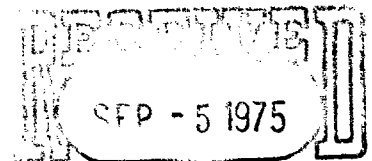


Case 5557

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF  
POWER DEEP UNIT AGREEMENT  
EDDY COUNTY, NEW MEXICO



New Mexico Oil Conservation Commission  
Santa Fe, New Mexico 87501

OIL CONSERVATION COMM.  
Santa Fe

Comes the undersigned C & K Petroleum, Inc. with the offices at Midland, Texas, and files herewith one (1) copy of the proposed Unit Agreement for the development and operation of the Power Deep Unit Area, Eddy County, New Mexico, and hereby makes application for the 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 5,712.70 acres of land, more or less, more particularly described as follows:

T-17-S, R-30-E, NMPM  
Sec. 36: All

T-17-S, R-31-E, NMPM  
Secs. 31 & 32: All

T-18-S, R-30-E, NMPM  
Secs. 1 & 12: All

T-18-S, R-31-E, NMPM  
Secs. 5, 6, 7 & 8: All

Eddy County, New Mexico

2. That of the lands embraced within the proposed Unit, 4,272.70 acres are lands of the United States, being 74.79% of the Area and 1,440.00 acres are State of New Mexico lands, being 25.21% of the Area.

3. 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 features 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 C & K Petroleum, Inc. 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 penetrate the Mississippian Formation, but applicant is not obligated to drill said well in any event to a depth in excess of 12,000 feet.

5. Only those depths and formations below the base of the San Andres Formation are to be unitized.

6. 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.

7. That Application for Approval of said Unit Agreement is being filed with the Commissioner of Public Lands.

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

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner of 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 this matter be heard at the first available hearing following this date.

DATED this 4th day of September, 1975. C & K PETROLEUM, INC.

BY: Randolph M. Richardson  
Randolph M. Richardson  
Attorney at Law  
P. O. Box 819

Unit Name POWER DEEP UNIT (EXPLORATORY)  
Operator C & K Petroleum, Inc.  
County EDDY

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DATE	OCC CASE NO.	5557	EFFECTIVE	TOTAL	FEDERAL	INDIAN-FEE	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	R-5104	DATE	ACREAGE	STATE		CLAUSE	
12-22-75	September 30, 1975		12-23-75	5,686.22	1,440.00	4,246.22	Yes	5 yrs.
Commissioner								

UNIT AREA

- TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 36: All
- TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM  
Section 31 and 32: All
- TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Sections 1 and 12: All
- TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Sections 5 and 6: All  
Sections 7 and 8: All

Unit Name POWER DEEP UNIT (EXPLORATORY)  
Operator C & K petroleum, inc.  
County EDDY

STATE TRACT NO.	LEASE NO.	INSTI- TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACREAGE	
							DATE	ACRES	RATIFIED	NOT LESSEE
16	B-1565-2	C.S.	36 -	17S	30E	S/2NE/4	NOT COMMITTED		80.00	Getty Oil Company
17	B-2130-16	C.S.	36 -	17S	30E	NW/4NW/4	12-9-75	40.00		Cities Service Oil Co.
18	B-3627-3	C.S.	36 -	17S	30E	N/2SW/4	12-12-75	80.00		Hondo Oil & Gas Co.
19	B-3627-23	C.S.	36 -	17S	30E	SW/4SW/4	NOT COMMITTED		40.00	El Paso Natural Gas Co
20	B-3627-32	C.S.	32 -	17S	31E	SE/4NE/4	12-9-75	40.00		Cities Service Oil Co.
21	E-6015	C.S.	32 -	17S	31E	NW/4, N/2NE/4, SW/4NE/4	12-17-75	280.00		Mobil Oil Corporation
22	K-5609	C.S.	36 -	17S	30E	N/2NE/4, E/2NW/4, SW/4NW/4, N/2SE/4, SW/4SE/4, SE/4SW/4	12-9-75	360.00		Cities Service Oil Co.
23	L-121	C.S.	32 -	17S	31E	S/2	12-9-75	320.00		Allied Chemical Corp.
24	L-182	Pen	6 -	18S	31E	SE/4	12-9-75	160.00		Allied Chemical Corp.
25	L-4051	C.S.	36 -	17S	30E	SE/4SE/4	11-21-75	40.00		Pennzoil United Inc.

Unit Name POWER DEEP UNIT (EXPLORATORY)  
Operator C & K Petroleum, Inc.  
County EDDY

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Commissioner

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Section 31 and 32: All

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Sections 1 and 12: All

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Sections 5 and 6: All  
Sections 7 and 8: All

9-27-76  
TERMINATED  
9-20-76

Unit Name POWER DEEP UNIT (EXPLORATORY)  
Operator C & K petroleum, inc.  
County EDDY

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							DATE	ACRES		
16	B-1565-2	C.S.	36 -	17S	30E	S/2NE/4	NOT COMMITTED		80.00	Getty Oil Company
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