LAW OFFICES OF

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OF CHAPPERAVIOUR CAR Santa de

August 12, 1977

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

Attention: Joe D. Ramey, Secretary-Director

Luzon Unit Re:

Lea County, New Mexico

Gentlemen:

Enclosed in triplicate is Application of Union Oil Company of California for approval of the Luzon Unit, Lea County, New Mexico.

It would be appreciated if this case might be set for the September 14, 1977 docket.

Respectfully,

JENNINGS, CHRISTY & COPPLE

SBC/jy Encl.

Union Oil Company of California (Mr. Robert V. Lockhart)

P.S. to Union: Please see that all interested parties are notified of this Application.

JC&C

Case 6098

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF UNION OIL COMPANY OF CALIFORNIA FOR APPROVAL OF UNIT AGREEMENT FOR THE LUZON UNIT AREA, LEA COUNTY, NEW MEXICO.

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APPLICATION

COMES NOW, Union Oil Company of California ("Applicant"), and pursuant to Rule 507 hereby makes application for approval of the Unit Agreement for the Development and Operation of the Luzon Unit Area, Lea County, New Mexico, and states:

- 1. The Unit Agreement is dated August 3, 1977, and encompasses 5,117.43 acres in Township 24 South, Ranges 35 and 36 East, N.M.P.M., Lea County, New Mexico; Applicant is designated as Unit Operator.
- 2. The Unit Agreement encompasses 4,280.50 acres of federal lands (83.6455%) and 836.93 acres of fee lands (16.3545%).
- 3. The Unit Agreement contemplates the drilling of a Strawn well, to an approximate depth of 12,730 feet subsurface with provision for further development. Participation of unitized substances is, as to royalty interest, on a surface acreage basis, based upon participating areas as may be approved by federal governmental authority.
- 4. The Unit Agreement proposes unitization of all oil and gas as to all formations of unitized land.

In the opinion of Applicant, the granting of this Application will be in the prevention of waste and will not violate the correlative rights of any interested party.

WHEREFORE, Applicant prays that, after notice and hearing, the Commission approve the Unit Agreement.

Respectfully,

UNION OIL COMPANY OF CALIFORNIA

As a Member of the Firm of Jennings, Christy & Copple P. O. Box 1180
Roswell, New Mexico 88201

Attorneys for the Applicant