

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 3, 1953

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
ROSWELL, NEW MEXICO

Dear Mr. Hinkle:

The application which you submitted in behalf of Continental Oil Company for approval of the Bell Lake Unit Area in Lea County has been set up for the regular August 20, 1953, hearing of the Commission as Case 563. Notices were sent out on Friday, July 31, to the proper publications.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

C
O
P
Y

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

WILLIAM C. SCHAUER
HOWARD C. BRATTON
S. B. CHRISTY IV

July 27, 1953

Mr. R. R. Spurrier, Executive Secretary
New Mexico Oil & Gas Association
Santa Fe, New Mexico



Re: Bell Lake Unit Agreement

Dear Mr. Spurrier.

Under date of July 7th, we sent you application for approval of the above unit agreement, with the request that it be set down for hearing for as early a date as possible. I have not received notice of the date set for the hearing and would appreciate your advising us immediately as to whether publication has been made and the date set for the hearing.

Yours very truly,
HERVEY, DOW & HINKLE

By Clarence E. Hinkle

CEH:mp

Case 563

LAW OFFICES

HERVEY, DOW & HINKLE

ROSWELL, NEW MEXICO

July 7, 1953

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

WILLIAM C. SCHAUER
HOWARD C. BRATTON
S. B. CHRISTY IV



Mr. R. R. Spurrier, Executive Secretary
New Mexico Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

Re: Bell Lake Unit Agreement

Dear Mr. Spurrier:

We enclose herewith in triplicate application of the Continental Oil Company for approval of the Bell Lake Unit Agreement. We will appreciate your setting this matter down for hearing and giving the usual notice by publication so that it can be heard at the earliest possible time. We would appreciate your advising as soon as possible the date set for the hearing so that we can advise the Continental thereof.

This agreement is substantially the same as other agreements heretofore approved by the Commission and calls for the drilling of a test well to a depth of 12,000 feet.

A similar application is being filed for approval of the agreement by the Commissioner of Public Lands.

We also enclose, to be filed with the application, three copies of the proposed Unit Agreement.

Yours very truly,

HERVEY, DOW & HINKLE

By

A handwritten signature in black ink, appearing to be "Clarence E. Hinkle", written over a horizontal line. The signature is cursive and somewhat stylized.

CEH:mp
cc - Mr. M. E. Thrash
Continental Oil Co.
Roswell, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF BELL LAKE UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, the CONTINENTAL OIL COMPANY, a corporation with offices at Fort Worth, Texas, and files herewith three copies of a proposed unit agreement for the development and operation of the Bell Lake Unit Area, Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement by the New Mexico Oil Conservation Commission as provided by law, and in support thereof shows:

1. That the proposed unit area covered by said agreement embraces 37,177.86 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 22 S., R. 34 E.

Sec. 7: All
Secs. 18, 19, 20: All
Secs. 29 to 32 incl.: All

T. 24 S., R. 33 E.

Sec. 1: All
Sec. 2: SE $\frac{1}{4}$
Secs. 11 to 14 incl.: All
Secs. 23 and 24: All

T. 22 S., R. 33 E.

Secs. 10 to 15 incl.: All
Secs. 22 to 27 incl.: All
Secs. 35 and 36: All

T. 23 S., R. 33 E.

Secs. 1 and 2: All
Secs. 11 to 13 incl.: All
Secs. 24 and 25: All
Sec. 36: All

T. 23 S., R. 34 E.

Secs. 5 to 8 incl.: All
Secs. 17 to 20 incl.: All
Secs. 29 to 32 incl.: All

T. 24 S., R. 34 E.

Secs. 5 to 8 incl.: All
Sec. 16: W $\frac{1}{2}$
Secs. 17 to 20 incl.: All
Secs. 21: W $\frac{1}{2}$

That of the above described land, 27,041.34 acres or

72.73% are Federal lands or part of the Public Domain, and 7,423.59 acres or 19.97% are lands of the State of New Mexico, and 2,712.93 acres or 7.30% are fee or privately owned lands.

2. That said area has heretofore been designated by the Director of the United States Geological Survey as an area suitable and proper for unitization, a copy of the letter so designating said area being attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A".

That there is also attached hereto, made a part hereof, and for purposes of identification marked Exhibit "B", a geological report prepared by applicant showing the result of a seismographic survey made of the area, which applicant requests be treated as confidential.

3. That applicant believes and upon such information and belief states that the proposed unit area covers substantially all of the geological feature involved, and in the event of the discovery of oil or gas thereon, that said Unit Agreement will afford effective control of the entire structure.

4. That the Continental Oil Company, a corporation, is designated as 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 commencement of a test well for oil and gas upon some part of the lands embraced in the unit area within six months from the effective date thereof and for the drilling of said well with due diligence until the Pennsylvanian formation has been tested, however, Operator is not required to drill said well to a depth in excess of 12,000 feet.

5. That said Unit Agreement is in substantially the same form as Unit Agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and by the New Mexico Oil Conservation Commission. It is believed that in the event

oil or gas in paying quantities is discovered on the lands within the unit area that the field or area can be developed more economically and efficiently under the terms of said agreement to the end that the maximum recovery may be obtained and that the agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation statutes.

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 the Director of the United States Geological Survey, an executed and approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said Unit Agreement as provided by the statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said Unit Agreement be approved by the New Mexico Conservation Commission.

Dated this the 7th day of July, 1953.

Respectfully submitted,
CONTINENTAL OIL COMPANY

By M. E. Thrash

C O P Y

United States
Department of the Interior
Geological Survey
Washington 25, D. C.

May 11, 1953

Continental Oil Company
Fair Building
Fort Worth, Texas

Gentlemen:

Reference is to your application dated April 1, 1953, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requesting designation of 37,177 acres, more or less, in Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended. Three marked copies of a proposed form of unit agreement were also submitted for preliminary approval.

Pursuant to regulations of December 22, 1950, 30 C. F. R., section 226.3, the following land is designated as a logical unit area, to be known as the Bell Lake Unit Area:

New Mexico Principal Meridian, New Mexico

T. 22 S., R. 33 E.

Secs. 10-15, inclusive, all
Secs. 22-27, inclusive, all
Secs. 35 and 36, all.

T. 23 S., R. 33 E.

Secs. 1 and 2, all
Secs. 11, 12 and 13, all
Sec. 24, all
Sec. 25, all
Sec. 36, all

T. 24 S., R. 33 E.

Sec. 1, all
Sec. 2, SE $\frac{1}{4}$
Secs. 11-14, inclusive, all
Secs. 23 and 24, all

Exhibit A

T. 22 S., R. 34 E.

Sec. 7, all
Sec. 18, 19, and 20, all
Secs. 29-32, inclusive, all

T. 23 S., R. 34 E.

Secs. 5-8, inclusive, all
Secs. 17-20, inclusive, all
Secs. 29-32, inclusive, all

T. 24 S., R. 34 E.

Secs. 5-8, inclusive, all
Sec. 16, $W\frac{1}{2}$
Secs. 17-20, inclusive, all
Sec. 21, $W\frac{1}{2}$

The proposed drilling depth of 12,000 feet to test the Pennsylvanian strata is considered acceptable.

The proposed form substantially follows the 1950 standard form except for appropriate modifications heretofore approved as applicable to New Mexico State lands and except for some of the pertinent provisions heretofore approved in the Big Eddy Unit agreement, New Mexico, No. 14-08-001-326, and considered appropriate for use in the Bell Lake agreement. Accordingly, the form will be regarded as acceptable if modified as indicated by red pencil. One copy so marked is returned herewith, one copy is being furnished the Oil and Gas Supervisor, and one copy is being retained.

In the absence of any objections not now apparent, a duly executed agreement identical with the above-mentioned form as modified will be approved if submitted within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement which, in the Survey's opinion, does not have the full commitment of sufficient lands to afford effective control of operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all Federal acreage showing the current record owner of all issued leases and the current status of all lease applications, if any.

Very truly yours,

/S/ Thomas B. Nolan
Acting Director

Enclosure