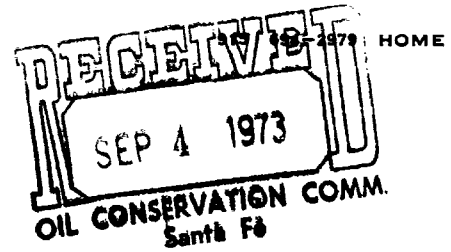


J. T. DICKERSON
LAND, LEASE AND UNIT SPECIALIST
3519 STANOLIND OR 1209 WESTERN UNITED LIFE BUILDING
MIDLAND, TEXAS 79701

915 682-1436 OFFICE

August 30, 1973

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



Case 2067
Re: Dunes Unit Area
T-23 & 24-S, R-30 & 31-E,
Eddy County, New Mexico

Dear Mr. Porter:

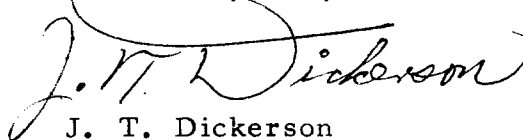
Herewith is application of American Quasar Petroleum Co. of New Mexico for approval of the Dunes Unit Agreement, together with one (1) copy of the proposed agreement.

The particulars of this unit were given to your attorney by telephone on August 27, in order for the hearing to be placed on the September 19, 1973 docket.

Applicant will be represented by New Mexico Council at the above hearing.

If all is not in order or if additional information is needed, advise of such to the undersigned would be appreciated.

Yours very truly,


J. T. Dickerson

JTD:pt

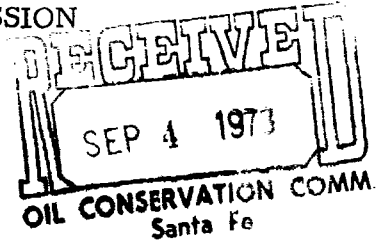
cc: American Quasar Petroleum Co.,
of New Mexico
606 Vaughn Building
Midland, Texas 79701

DOCKET MAILED

Date 9-7-73

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
APPLICATION FOR APPROVAL OF
DUNES UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO



New Mexico Oil Conservation Commission
Santa Fe, New Mexico 87501

Case 5067

Comes the undersigned, American Quasar Petroleum Co. of New Mexico, with offices at Midland, Texas, and files herewith one copy of the proposed Unit Agreement for the development and operation of the Dunes Unit Area, Eddy County, New Mexico, and hereby makes application for 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 2,575.89 acres of land, more or less, more particularly described as follows:

Township 23 South, Range 31 East, N.M.P.M.
Section 31: All
Township 24 South, Range 30 East, N.M.P.M.
Sections 1 and 12: All
Township 24 South, Range 31 East, N.M.P.M.
Section 6: All
Eddy County, New Mexico

2. That of the lands embraced within the proposed unit, 2,535.89 acres are Lands of the United States, being 98.45% of the Area, and 40.00 acres are patented or fee land, being 1.55% of the Unit area. There are no State of New Mexico lands within the Unit 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 feature 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 American Quasar Petroleum Co. of New Mexico 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

DOCKET MAILED
Date 9-7-73

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 depth sufficient to test the Atoka formation, but applicant is not obligated to drill said well in any event to a depth in excess of 13,800 feet. Such initial test well is to be located in the NW/4, Section 6, T-24-S, R-31-E, N.M.P.M.

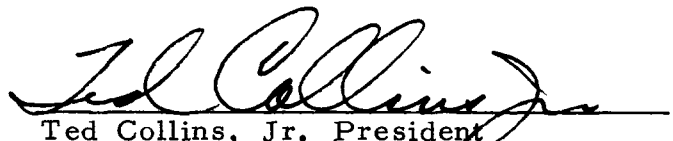
5. That applicant believes that in the event oil or gas is discovered in paying quantities on lands within the Unit Area, that the field or area can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that maximum recovery will be obtained of unitized substances 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.
6. 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.
7. Wherefore, the undersigned applicant respectfully requests that a hearing be held before an examiner on 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 his matter be heard at the hearing scheduled for September 19, 1973.

Dated this 30th Day of August, 1973.

ATTEST


Assistant Secretary

AMERICAN QUASAR PETROLEUM CO.
OF NEW MEXICO


Ted Collins, Jr. President
606 Vaughn Building
Midland, Texas 79701