

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF BITTER LAKE
UNIT AGREEMENT, CHAVES COUNTY, NEW MEXICO.

New Mexico Oil Conservation Commission
Santa Fe
New Mexico

Comes the undersigned, the DeKalb Agricultural Association, Inc., and files herewith three copies of a proposed unit agreement for the development and operation of the Bitter Lake Unit Area, Chaves County, New Mexico, and hereby makes application for the approval of said agreement by the New Mexico Oil Conservation Commission and in support thereof, shows:

1. That the unit area designated in said agreement covers 9,032.38 acres situated in Township 10 South, Ranges 25 and 26 East, N.M.P.M., Chaves County, New Mexico. All of the lands embraced in said unit area are lands of the United States, except the $E\frac{1}{2}SE\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}$ Sec. 2, T 10 S., R 25 E., N.M.P.M., which are lands of the State of New Mexico.

That said agreement has been executed by the owners of oil and gas leases and pending applications therefor embracing all of the land within said unit area except the $E\frac{1}{2}SE\frac{1}{4}$ Sec. 10; $SW\frac{1}{4}SW\frac{1}{4}$ Sec. 11; $NW\frac{1}{4}NW\frac{1}{4}$ Sec. 14; $N\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}$ Sec. 15, T 10 S., R 25 E., N.M.P.M., which said lands are within the Bitter Lakes Migratory Wildfowl Refuge.

2. That the area designated in said unit agreement has heretofore been designated by the Director of the United States Geological Survey as one suitable and proper for unitization, and all of the lands embraced therein are believed to be situated on the same geological structure.

3. That the undersigned is designated as Unit Operator in said agreement and the unit operator is given authority under the terms of said agreement to carry on operations necessary for the exploration and development of the unit area for oil and gas subject to the regulations of the Secretary of the Interior and the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission and that under the terms thereof a test well for oil or gas is to be drilled upon some part of the unit area to a depth of 6,500 feet, unless oil or gas is found at a lesser depth, or unless at a lesser depth, an igneous or metamorphic formation or some other condition or formation is encountered which would render further drilling inadvisable or impracticable.

4. That said proposed unit agreement follows substantially the same form as unit agreements heretofore approved by the Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior, and it is believed that operations to be carried on under the terms thereof will promote the economical and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or area if oil or gas should be discovered in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values, and it is further believed that such agreement will be in the interest of conservation of oil and gas and the prevention of waste as contemplated by the oil conservation statutes of the State of New Mexico.

5. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement and after the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior

of the United States, an approved copy of said agreement 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 Oil Conservation Commission.

Respectfully submitted,

DEKALB AGRICULTURAL ASSOCIATION, INC.,

By

C. J. Hyde *Pres*

ATTEST:

John H. Roberts
Secretary