

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF BRAZOS UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, ASHMUN and HILLIARD, a partnership with offices at Midland, Texas and files herewith an application for a hearing for a proposed Unit and the development and operation of the Brazos Unit in Lea County, New Mexico and hereby makes application for the approval of said Unit 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 1280.00 acres, more or less, described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

T. 14 S., R. 32E

Sec. 5: All

Sec. 6: NE/4

T. 13 S., R. 32E

Sec. 32: SW/4, W/2SE/4

Sec. 31: SE/4, S/2 NE/4

The above described lands are lands of the State of New Mexico.

2. Applicant believes, upon geological information, 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.

3. That ASHMUN and HILLIARD is designated as Unit Operator and as such will have authority 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, if approved, said unit shall provide for the commencement of a test well for oil and gas upon some part of the lands embraced in the unit area, within 90 days from the effective date

thereof, said well to test the Pennsylvanian formation at approximately 10,600 feet and, if in the opinion of unit operators and members, it is deemed advisable, said well will be carried down to test the Devonian formation at approximately 12,600 feet.

4. The Unit shall be 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.

5. 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 15th day of September, 1953.

Respectfully submitted,

ASHMUN AND HILLIARD

By H. T. Hilliard
H. T. Hilliard