

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

THE APPLICATION OF NEARBURG & INGRAM
FOR APPROVAL OF THE SQUARE LAKE DEEP
UNIT AGREEMENT EMBRACING 4,316.93 ACRES,
MORE OR LESS, EDDY COUNTY, NEW MEXICO,
CONSISTING OF ALL OF SECTION 26,
ALL OF SECTION 33, ALL OF SECTION 34,
ALL OF SECTION 35, TOWNSHIP 16 SOUTH,
RANGE 30 EAST: and, LOT 3, LOT 4,
 $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$ ($W\frac{1}{2}$) SECTION 3, LOTS 1, 2,
3, 4, $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$ (ALL) SECTION 4, Lot 1,
LOT 2, $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$ ($E\frac{1}{2}$) SECTION 5,
 $NE\frac{1}{4}$ SECTION 8, $N\frac{1}{2}$ SECTION 9, TOWNSHIP
17 SOUTH, RANGE 30 EAST; N.M.P.M.

CASE NO. 1608

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, Nearburg & Ingram, a partnership,
with offices at Roswell, New Mexico, and files herewith three copies
of the proposed unit agreement for the development and operation of
the Square Lake Deep Unit Area, Eddy County, New Mexico, and hereby
makes application for the approval of said unit agreement as provided
by law, and in support thereof, shows:

1. That the proposed unit area covered by said agreement
embraces 4,316.93 acres, more or less, more particularly described
as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 16 South, Range 30 East

Section 26: All
Section 33: All
Section 34: All
Section 35: All

Township 17 South, Range 30 East

Section 3: Lot 3, Lot 4, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$ ($W\frac{1}{2}$)
Section 4: Lots 1, 2, 3, 4, $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$ (All)
Section 5: Lot 1, Lot 2, $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$ ($E\frac{1}{2}$)
Section 8: $NE\frac{1}{4}$
Section 9: $N\frac{1}{2}$

2. That the lands embraced within the proposed unit area are all Federal lands.

3. That applicant is informed and believes, and upon such information and belief, states: That the proposed unit area covers substantially all of the geological features involved, and in the event of the 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 Nearburg & Ingram, a partnership, 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 of the unit agreement and for the drilling thereof with due diligence, to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities if at a lesser depth; provided however, operator is not required in any event 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 Director, Geological Survey, Department of the Interior, United States of America, and by the New Mexico Oil Conservation Commission, and 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 will be

obtained, and that said unit agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

6. That application is being made for the approval of said unit agreement by the Director, Geological Survey, Department of the Interior, United States of America. (726.12)

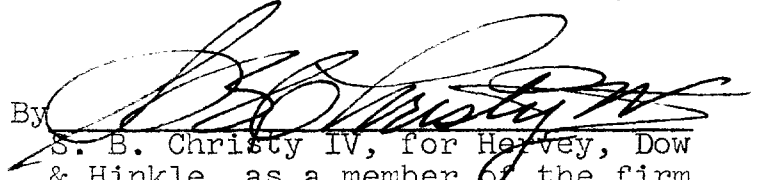
7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement and after approval thereof by the Director, Geological Survey, Department of the Interior, United States of America, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agreement 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 prevention of waste.

DATED this the 30th day of January, 1959.

Respectfully submitted,

NEARBURG & INGRAM, a partnership

By 

S. B. Christy IV, for Hervey, Dow
& Hinkle, as a member of the firm
Box 547, Roswell, New Mexico

Attorneys for the Applicant