J. M. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.

ROBERT C. BLEDSOE

LAW OFFICES
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

January 8, 1960

TELEPHONE

TELEPHONE MAIN 2-6510 Post Office Box 547

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Car 1892

Dear Mr. Porter:

Enclosed please find Application in triplicate of Texaco, Inc. for approval of the Remuda Basin Unit Agreement in Eddy County.

Please set this down for hearing at the first examiner hearing in February which I understand will be on February 10.

I have attached only one copy of the Unit Agreement form to the Application, but will submit additional forms at the time of hearing if requested.

Your early attention to this matter will be appreciated.

Very truly yours,

HERVEY, DOW & HINKLE

Ву

HCB:db
Enclosure
cc: Mr. J, H. Clark
Texaco, Inc.

Texaco, Inc. P. 0. Box 352 Midland, Texas

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TEXACO, INC. FOR THE APPROVAL OF THE REMUDA BASIN UNIT AGREEMENT COMPRISING APPROXIMATELY 8,572.40 ACRES, MORE OR LESS IN TOWNSHIP 23 SOUTH, RANGE 29 EAST, AND TOWNSHIPS 22 AND 23 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

case No. 1892

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Comes the applicant Texaco, Inc. and files herewith a copy of the proposed Remuda Basin Unit Agreement for the development and operation of the Remuda Basin Unit Area in Eddy County, New Mexico, and hereby makes application for the approval of said unit agreement and in support thereof, states:

That the proposed unit area covered by said agreement embraces 8,572.40 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

Township 23 South, Range 29 East:

Section 1: Section 12: All Section 13: All Section 14: Section 23: Section 24: Section 25: Section 26: Section 36:

Township 23 South, Range 30 East:

M/2Section 5: Section 6: All. Section 7: All Section 18: All Section 19: All Section 30: Section 31: All

NW/4 and W/2 SW/4

Situated in Eddy County, New Mexico.

Also some acreage in 27. T-22-5, 02-30-E Dec. 31: acre

The proposed unit area is composed of 5,807.06 acres of lands of the United States of America, 2,685.34 acres of the State of New Mexico, and 80 acres of fee land.

- 2. That Texaco, Inc. 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 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 a test well to a depth sufficient to test the Devonian formation, or to the discovery of unitized substances in paying quantities at a lesser depth, provided that the Unit Operator shall not in any event be required to drill the well to a depth in excess of 15,000 feet.
- 3. Said unit agreement is in substantially the same form as unit agreements heretofore approved by the Director of the United States Geological Survey, Commissioner of Public Lands of the State of New Mexico, and 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. Said 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.
- 4. Application will be made for approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey.
- 5. That upon the entry of an order by the Oil Conservation Commission approving said unit agreement and after approval thereof by the Director of the United States Geological Survey and the Commissioner of Public Lands, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

6. The proposed unit area is in an area suitable and proper for unitization and operations under the unit agreement will permit the producing area to be developed and operated in the interest of conservation and the production of correlative rights.

WHEREFORE, applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agreement and that upon said hearing, it be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

Respectfully submitted, TEXACO, INC.

Bv

Hérvey, Dow & Hinkle

Box 547

Roswell, New Mexico