

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.

CONRAD E. COFFIELD

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

November 28, 1960

TELEPHONE MAIN 2-6510
POST OFFICE Box 547

Case
2141

New Mexico Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico

Re: Application of Honolulu Oil Corporation
for Approval of McKittrick Canyon Unit
Agreement

Gentlemen:

We enclose herewith three (3) copies of Exhibit
"B" to be attached to the three copies of the form of the
Unit Agreement which was filed with the Application of Hono-
lulu for approval of the above Unit.

Very truly yours,

HERVEY, DOW & HINKLE

By 

CEH:bc
Encls.
cc: Honolulu Oil Corp.

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ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

November 22, 1960

Case 2141

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
State Capitol
Santa Fe, New Mexico

Re: McKittrick Canyon Unit Agreement
Eddy County, New Mexico

Dear Mr. Porter:

We hand you herewith, in triplicate, application of the Honolulu Oil Corporation for approval of the above Unit Agreement, together with three copies of the proposed form of Unit Agreement. We have heretofore discussed this matter with Mr. Oliver Payne, and it is our understanding that he has arranged to have this matter set for your Examiner's Hearing on December 12, 1960. We would appreciate your furnishing us with a copy of the notice.

Yours very truly,

HERVEY, DOW & HINKLE

By *Clarence E. Hinkle*

CEH:bc

Encls.

cc: Honolulu Oil Corp.

*Rechecked
Mailed
12-5-60*

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
McKITTRICK CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Case 2141

Comes the undersigned, Honolulu Oil Corporation, a Delaware corporation with offices at Midland, Texas, and files herewith three copies of the proposed unit agreement for the development and operation of the McKittrick Canyon 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, states:

1. That the proposed unit area covered by said agreement embraces 6,708.20 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 22 South, Range 25 East

Section 22: $E\frac{1}{2}$
Sections 23, 24, 25, 26: All
Section 27: $E\frac{1}{2}$
Section 34: $E\frac{1}{2}$
Sections 35 and 36: All

Township 22 South, Range 26 East

Section 19: All
Sections 30 and 31: All

2. That of the lands embraced within the proposed unit area, 5,274.40 acres are Federal lands, 1,273.80 acres are lands of the State of New Mexico and 160 acres are fee lands. That application has heretofore been made to the Director of the United States Geological Survey and the Commissioner of Public Lands for

the designation of said area as being suitable and proper for unitization.

3. That the Honolulu Oil Corporation and most of the other owners of oil and gas leasehold interests within the proposed unit area have heretofore commenced, and are in the process of, drilling a well which is located 1,650 feet from the north line and 2,310 feet from the east line of Section 25, Township 22 South, Range 25 East, N.M.P.M., and it is anticipated that said well will be completed in the Devonian formation the latter part of January, 1961. Said well is to be drilled in conformity with the provisions of Section 9 of said proposed Unit Agreement to a depth sufficient to test the Devonian formation, but Unit Operator is not to be obligated to drill said well in excess of 12,000 feet. It is anticipated that said well will entail an expenditure, if completed as a producing well, of approximately \$340,000.00.

4. That said Unit Agreement is in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico where Federal, State and fee lands are involved, and it is believed that in the event oil or gas in paying quantities is discovered on the land within the unit area, that the field or area can be developed more economically and efficiently under the terms of said agreement and that the same will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said field, and that the State of New Mexico will receive its fair share of the recoverable oil or gas in place under the land in the unit area, and that said agreement is in all respects for the best interest 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 approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.


WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of the approval of said unit agreement, and upon 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.

DATED this the 22nd day of November, 1960.

Respectfully submitted,

HONOLULU OIL CORPORATION

By


S. B. Christy IV
for Hervey, Dow & Hinkle
P. O. Box 547
Roswell, New Mexico
Attorneys for Applicant

*Booked
mailed
12-5-60
OK*