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June 12, 1968

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Case 3802

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose in triplicate application of Atlantic Richfield Company for approval of the unit agreement for the development and operation of the West Red Lake Unit Area, Eddy County, New Mexico. There are also enclosed three copies of the proposed unit agreement.

We would like to have this matter set down for hearing at the first examiner's hearing in July. (10th)

Yours sincerely,

HINKLE, BONDURANT & CHRISTY

By *James H. Hinkle*

CEH:cs
Enc.

DOCKET MAILED

Date 6/27/68

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR APPROVAL OF THE WEST
RED LAKE UNIT AGREEMENT EMBRACING
1,236.85 ACRES IN SECTIONS 4 TO
9 INCLUSIVE, TOWNSHIP 18 SOUTH,
RANGE 27 EAST, N.M.P.M. EDDY COUNTY,
NEW MEXICO FOR SECONDARY RECOVERY
PURPOSES IN THE GRAYBURG-SAN ANDRES
FORMATION

Case 3802

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico

Comes Atlantic Richfield Company with offices at Roswell, New Mexico, acting by and through the undersigned attorneys, and hereby makes application for approval of the Unit Agreement for the Development and Operation of the West Red Lake Unit Area, Eddy County, New Mexico, and in support thereof respectfully shows:

1. That the proposed unit area contains 1,236.85 acres situated in Eddy County, New Mexico, more particularly described as follows:

Township 18 South, Range 27 East

Section 4 - $NE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$
Section 5 - $SE\frac{1}{4}SE\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}$
Section 6 - $SE\frac{1}{4}SE\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$
Section 7 - $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$
 $W\frac{1}{2}SE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$
Section 8 - $NE\frac{1}{4}$, $NW\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$
Section 9 - $N\frac{1}{2}NW\frac{1}{4}$

2. That applicant seeks to unitize the above described area for the purpose of conducting secondary recovery operations in connection with the wells producing from the Grayburg-Jackson formation, it being proposed to limit the unitization to that portion of the Grayburg

and San Andres formations underlying the unit area which includes the continuous stratigraphic interval occurring between a point from the top of the Grayburg formation and a correlative point in the San Andres formation, said interval having been penetrated between 1240 feet (the top of the Grayburg formation) and 2240 feet beneath the derrick floor in the Hondo Oil & Gas Company Federal "EG" No. 1 well located 1650 feet from the south line and 2310 feet from the west line of Section 4, Township 18 South, Range 27 East, Eddy County.

3. That the above described lands consist of 915.71 acres of federal lands and 321.14 acres of fee lands. That the area was designated by the Acting Director of the United States Geological Survey as an area logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act on February 17, 1967.

4. That there are filed herewith three Xerox copies of the proposed unit agreement, together with ratifications and joinders by the owners of various interests as shown by Exhibit "B" attached to the unit agreement.

5. That applicant is designated as unit operator in said unit agreement.


6. That in the opinion of applicant the proposed unit agreement will be in the interest of conservation and the prevention of waste and will permit the greatest ultimate recovery of unitized substances from the unit area and will be in the interest of the protection of correlative rights of all the parties concerned.

7. That applicant requests that this matter be set down for hearing before an examiner at the earliest possible time.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By


Member of the Firm of
HINKLE, BONDURANT & CHRISTY
Attorneys for Applicant
Box 10
Roswell, New Mexico