

BEFORE EXAMINER STATES
OIL CONS. DIVISION

CASE NO. 8173

Submitted by James

Henry Doe

Union Oil Company of California
500 North Marienfeld, Midland, Texas 79701
P.O. Box 671, Midland, Texas 79702
Telephone (915) 682-9731



Robert V. Lockhart

District Land Manager
Midland District

March 22, 1984

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87501

Attn: Mr. Ray D. Graham
Director, Oil and Gas
Division

Gentlemen:

Preliminary Approval Request
Brown State Unit
N/Anderson Ranch Prospect (7366)
Lea County, New Mexico

Union Oil Company of California respectfully requests your consideration and approval of this Application for Designation of the Brown State Unit Area, Lea County, New Mexico, as an area logically subject to development under a Unit Plan of Operation, and for determination of the depth of the Initial Test Well to be drilled upon such Unit Area, and in support thereof respectfully shows:

1) Designation

The area to be designated as the Brown State Unit Area comprises 640.00 acres in Lea County, New Mexico, as outlined on the attached land plat, in duplicate, marked Exhibit "A". A schedule of leases marked Exhibit "B", with appropriate tract and Serial Numbers of the State leases within the Unit Area, is attached to each copy of the Exhibit "A". All of the Unit Area is comprised of State Land. It is proposed that the Unit Area cover all oil and gas in and produced from the hereinabove specified lands committed to the agreement as to all formations.

2) Unit Agreement

Operations would be conducted under the State's current recommended Unit Form with modified segregation clause. A proposed copy of this form is enclosed for your consideration and further recommendation.

3) Geology

Enclosed herewith, in duplicate, is a geological report to substantiate this application. It is requested that this material be treated as confidential. Applicant proposes to drill a well in the Unit Area to be located 660' FNL and 1980' FEL Section 28, T-15-S, R-32-E, to a depth sufficient to test the Morrow Formation or 12,500 feet, whichever is the lesser depth. It is believed a well drilled to this depth will penetrate the most prospective horizons in the Unit Area.

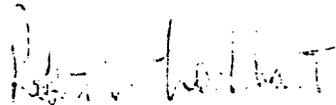
4) Conclusion

It is our opinion that designation of this Brown State Unit Area will conserve natural resources and prevent waste. The owners of the leases within the Unit Area have been contacted and all have indicated their willingness to cooperate with us in formation of the Unit.

The undersigned respectfully requests Designation of the Brown State Unit Area and approval of the depth and location of the Initial Well.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA



Robert V. Lockhart
District Land Manager

RVL:LHH:11j

Attachments