

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF BIG EDDY UNIT AGREEMENT
EDDY AND LEA COUNTIES, NEW MEXICO

New Mexico Oil Conservation Commission,
Santa Fe, New Mexico.

Comes the undersigned, RICHARDSON & BASS, a co-partnership of Fort Worth, Texas, and files herewith three copies of a proposed Unit Agreement for the development and operation of the Big Eddy Unit Area, Eddy and Lea Counties, New Mexico, and hereby makes application for the approval of said Unit Agreement by the New Mexico Oil Conservation Commission as provided by law, and in support thereof shows:

1. That the proposed unit area covered by said agreement comprises 133,444.29 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 19 S., R. 31 E.

Sec. 27: $S\frac{1}{2}$
Sec. 33: $E\frac{1}{2}$
Sec. 34: All
Sec. 35: All

T. 20 S., R. 30 E.

Secs. 25-27 (incl.): All
Secs. 34-36 (incl.): All

T. 20 S., R. 31 E.

Secs. 2-36 (incl.): All

T. 20 S., R. 32 E.

Sec. 7: All
Sec. 8: $W\frac{1}{2}W\frac{1}{2}$
Secs. 17-21 (incl.): All
Sec. 27: $S\frac{1}{2}S\frac{1}{2}$
Secs. 28-34 (incl.): All

T. 21 S., R. 28 E.

Secs. 3-36 (incl.): All

T. 21 S., R. 29 E.

Secs. 1-3 (incl.): All
Secs. 7-36 (incl.): All

T. 21 S., R. 30 E.

Secs. 1-12 (incl.): All
Secs. 14-22 (incl.): All
Sec. 23: All
Sec. 27: $N\frac{1}{2}$
Secs. 28-30 (incl.): All

T. 21 S., R. 31 E.

Sec. 3: Lots 1 to 16, Incl.
Secs. 4-6 (incl.): All
Secs. 7-9 (incl.): All

T. 22 S., R. 28 E.

Secs. 1-5 (incl.): All
Sec. 6: Lots 1,2,3,4,5, $SE\frac{1}{4}NW\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$
Sec. 8: $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$
Secs. 9-14 (incl.): All
Sec. 15: $NE\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$
Sec. 17: $N\frac{1}{2}N\frac{1}{2}$
Sec. 22: $E\frac{1}{2}NE\frac{1}{4}$
Secs. 23-25 (incl.): All

T. 22 S., R. 29 E.

Secs. 2-10 (incl.): All
Secs. 15-22 (incl.): All
Secs. 27-30 (incl.): All
Sec. 31: $E\frac{1}{2}$
Secs. 32-34 (incl.): All
Sec. 35: $W\frac{1}{2}$, $W\frac{1}{2}SE\frac{1}{4}$

T. 23 S., R. 29 E.

Sec. 2: All
Sec. 3: Lots 1,2,3,4, $S\frac{1}{2}N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}$
Sec. 4: Lots 1,2,3,4, $S\frac{1}{2}N\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{4}$

That of the above described lands 115,255.80 acres are Federal lands or part of the Public Domain, and 16,639.40 acres are lands of the State of New Mexico, and 1,549.09 acres are fee or privately owned lands.

2. That said area has heretofore been designated by the Director of the United States Geological Survey as an area suitable and proper for unitization, a copy of the letter so designating said area being attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A".

That there is also attached hereto, made a part hereof, and for purposes of identification marked Exhibit "B", a copy of Application filed with the United States Geological Survey pursuant to which said lands were designated as an area suitable and proper for unitization together with a plat showing the result of a

seismographic survey made of the area by applicant at a great deal of expense and which applicant requests be treated as confidential.

3. That applicant believes and upon such information and belief states that the proposed unit area covers substantially all of the geological feature involved, and in the event of the discovery of oil or gas thereon, that said Unit Agreement will afford effective control of the entire structure.

4. That Richardson & Bass, a co-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 drilling of three exploratory test wells within the unit area, one each in the eastern, central and western sectors thereof, and the first of said test wells is to be drilled within six months after the effective date of the Unit Agreement and drilled with due diligence until the Ellenberger formation has been tested, however, the Operator is not required in any event to drill said well to a depth in excess of 14,500 feet.

5. 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 and by the New Mexico Oil Conservation Commission. 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 may be obtained and that the agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico oil conservation statutes.

6. 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 executed and 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 as provided by the statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said Unit Agreement be approved by the New Mexico Oil Conservation Commission.

Respectfully submitted,
RICHARDSON & BASS

By 



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Richardson W. Bass
Ft. Worth Nat'l Bank Bldg.
Fort Worth, Texas

Gentlemen:

Reference is to your letter of January 26, 1952, requesting action on your application for designation of 133,444.29 acres, more or less, in Eddy and Lea Counties, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to the regulations of December 22, 1950, 30 C.F.R., section 226.3, the following land is designated as a logical unit area to be known as the Big Eddy unit area:

New Mexico Principal Meridian, New Mexico

- T. 19 S., R. 31 E.
 - sec. 27, S $\frac{1}{2}$
 - sec. 33, E $\frac{1}{2}$
 - sec. 34, All
 - sec. 35, All
- T. 20 S., R. 30 E.
 - secs. 25-27 (incl.), All
 - secs. 34-36 (incl.), All
- T. 20 S., R. 31 E.
 - secs. 2-36 (incl.), All
- T. 20 S., R. 32 E.
 - sec. 7, All
 - sec. 8, W $\frac{1}{2}$ W $\frac{1}{2}$
 - secs. 17-21 (incl.), All
 - sec. 27, S $\frac{1}{2}$ S $\frac{1}{2}$
 - secs. 28-34 (incl.), All
- T. 21 S., R. 28 E.
 - secs. 3-36 (incl.), All
- T. 21 S. R. 29 E.
 - secs. 1-3 (incl.), All
 - secs. 7-36 (incl.), All

Exhibit "A"

- T. 21 S., R. 30 E.
secs. 1-12 (incl.), All
secs. 14-22 (incl.), All
sec. 23, All
sec. 27, N $\frac{1}{2}$
secs. 28-30 (incl.), All
- T. 21 S., R. 31 E.
sec. 3, Lots 1 to 16, incl.
secs. 4-6 (incl.), All
secs. 7-9 (incl.), All
- T. 22 S., R. 28 E.
secs. 1-5 (incl.), All
sec. 6, Lots 1,2,3,4,5, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
sec. 8, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
secs. 9-14 (incl.), All
sec. 15, NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
sec. 17, N $\frac{1}{2}$ N $\frac{1}{2}$
sec. 22, E $\frac{1}{2}$ NE $\frac{1}{4}$
secs. 23-25 (incl.), All
- T. 22 S., R. 29 E.
secs. 2-10 (incl.), All
secs. 15-22 (incl.), All
secs. 27-30 (incl.), All
sec. 31, E $\frac{1}{2}$
secs. 32-34 (incl.), All
sec. 35, W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
- T. 23 S., R. 29 E.
sec. 2, All
sec. 3, Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$
sec. 4, Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

The proposed drilling depth of 14,500 feet is considered acceptable.

The three copies of the proposed form of unit agreement presented to us in person by your representative, Mr. Clarence Hinkle, on January 28, replaces the forms submitted earlier. All copies of the old forms were handed to Mr. Perry Bass while in Washington on January 25. The form substantially follows that recently approved for the Poker Lake unit except that only formations below the base of the Delaware sand are unitized. Section 9 has been modified to provide for the drilling of three exploratory wells within 5 years and to provide for adequate protection of any potash deposits, and a new "Map and Surveys" section (20) has been added. The form will be regarded as

acceptable if modified as indicated by red pencil and by attached riders. One copy so marked was handed to Mr. Hinkle January 28, one copy is being forwarded to the Supervisor, and one copy is being retained. It will be noted that since Mr. Hinkle's departure the first sentence of insert #2, which will be Sec. 2(e), has been deleted as an unnecessary carry-over from an earlier form otherwise devoid of provisions for contraction of the unit area.

In the absence of any objections not now apparent, a duly executed agreement identical with the above-mentioned form as modified will be approved if submitted within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement which, in the Survey's opinion, does not have the full commitment of sufficient lands to afford effective control of operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all Federal acreage showing the current record owner of all issued leases and the current status of all lease applications, if any.

Very truly yours,

Thomas S. Nolan

Acting Director

Big Eddy unit agreement, Eddy and Lea Counties, New Mexico

<u>New Mexico</u>			
Serial Nos. -	0251	02447	03205
	0299	02536	03297
	0486	02827	03302
	0505	02828	03364
	0509	02918	03926
	0783	02922	04082
	0915	02946	04105
	01083	02977	04228
	01084	02978	04383
	01148	02979	04557
	01189	02980	04835
	01206	03057	05214
	01353	03059	
	01877	03183	
	01960		
	02045		
<u>Las Cruces</u>			
	059365	064806	068408
	060515	064828	068669
	060572	064829	068878
	060613	065035	068996
	060853	065431	069140
	061277	065609	069141
	061396	065713	069142
	061641	065750	069144
	062568	065751	069157
	062573	065752	069159
	062727	065872	069219
	062727-A	065873	069227
	062727-B	065874	069241
	062793	065897	069446
	062940	065914	069504
	063167	065944	069506
	063346	066067	069550
	063410	066067-A	069705
	063418	066156	069707
	063484	067144	069876
	063510	067145	069899
	063516	067186	070060
	063537	067297	070061
	063541	067793-A	070220
	063543	067964	070711
	063545	068104	071033
	063548	068284	071396
	063667	068368	071917
	063674	068379	071918
	063862	068399	

and certain serials to be issued to cover potash lands within this area recently opened to leasing.