

MAIN OFFICE 600

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION OF RICHARDSON & BASS
FOR APPROVAL OF THE LITTLE EDDY
UNIT AGREEMENT EMBRACING 54,044.08
ACRES, MORE OR LESS, EDDY AND LEA
COUNTIES, NEW MEXICO, WITHIN
TOWNSHIPS 19, 20, 21 and 22 S.,
RANGES 31, 32 and 33 E., N.M.P.M.

CASE NO. 1117

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, Richardson & Bass, a co-partnership composed of Sid W. Richardson and Perry R. Bass, of Fort Worth, Texas, and files herewith three copies of the proposed unit agreement for the development and operation of the Little Eddy Unit Area, Eddy and Lea Counties, New Mexico, and hereby makes application for the approval of said unit agreement as provided by law, and in support thereof, shows:

1. That the proposed unit area covered by said agreement embraces 54,044.08 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 19 S., R. 32 E.

Sec. 25: $S\frac{1}{2}$
Sec. 34: Lots 3, 4, $N\frac{1}{2}SE\frac{1}{4}$
Sec. 35: Lots 1, 2, 3, 4, $N\frac{1}{2}S\frac{1}{2}$, $N\frac{1}{2}$
Sec. 36: Lots 1, 2, 3, 4, $N\frac{1}{2}S\frac{1}{2}$, $N\frac{1}{2}$

T. 19 S., R. 33 E.

Sec. 29: All
Sec. 30: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$
Sec. 31: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$
Sec. 32: All

T. 20 S., R. 32 E.

Sec. 1: Lots 1, 2, 3, 4, $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$ (all)
Sec. 2: Lots 1, 2, 3, 4, $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$ (all)
Sec. 3: Lots 1, 2, 3, 4, $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$ (all)
Sec. 4: Lots 1, 2, 3, 4, $S\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}$ (all)
Secs. 9 thru 16: all
Secs. 22 thru 26: all
Sec. 27: $N\frac{1}{2}S\frac{1}{2}$, $N\frac{1}{2}$
Sec. 35: all
Sec. 36: all

T. 20 S., R. 33 E.

Sec. 5: Lots 1, 2, 3, 4, $S\frac{1}{2}NW\frac{1}{4}$, $S\frac{1}{2}$ (all)
Sec. 6: Lots 1, 2, 3, 4, 5, 6, 7, $SE\frac{1}{4}NW\frac{1}{4}$,
 $S\frac{1}{2}NE\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$ (all)
Sec. 7: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$ (all)
Sec. 8: all
Sec. 17: all
Sec. 18: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Sec. 19: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Secs. 20, 29: all
Sec. 30: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Sec. 31: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Sec. 32: all

T. 21 S., R. 31 E.

Sec. 1: Lots 1 thru 16, $S\frac{1}{2}$ (all)
Sec. 2: Lots 1 thru 16, $S\frac{1}{2}$ (all)
Sec. 3: $S\frac{1}{2}$
Secs. 10 thru 15: all
Secs. 22 thru 27: all
Sec. 34: $E\frac{1}{2}$
Secs. 35, 36: all

T. 21 S., R. 32 E.

Sec. 3: Lots 1 thru 16, $SW\frac{1}{4}$
Sec. 4: Lots 1 thru 16, $S\frac{1}{2}$ (all)
Sec. 5: Lots 1 thru 16, $S\frac{1}{2}$ (all)
Sec. 6: Lots 1 thru 18, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$ (all)
Sec. 7: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$ (all)
Secs. 8, 9: all
Sec. 10: $W\frac{1}{2}$
Sec. 15: $W\frac{1}{2}$
Sec. 16, 17: all
Sec. 18: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Sec. 19: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Sec. 20, 21, 22, 27, 28, 29: all
Sec. 30: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Sec. 31: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{4}$, $E\frac{1}{4}$ (all)
Secs. 32, 33, 34: all

T. 22 S., R. 31 E.

Sec. 1: Lots 1, 2, 3, 4, $S\frac{1}{2}NW\frac{1}{4}$
Sec. 2: Lots 1, 2, 3, 4, $S\frac{1}{2}NW\frac{1}{4}$

T. 22 S., R. 32 E.

Sec. 3: Lots 1, 2, 3, 4, $S\frac{1}{2}NW\frac{1}{4}$
Sec. 4: Lots 1, 2, 3, 4, $S\frac{1}{2}NW\frac{1}{4}$
Sec. 5: Lots 1, 2, 3, 4, $S\frac{1}{2}NW\frac{1}{4}$
Sec. 6: Lots 1, 2, 3, 4, 5, $SE\frac{1}{4}NW\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}$

2. That of the lands embraced within the proposed unit area, 44,037.49 acres or 81.48% are federal lands, 8,966.14 acres or 16.59% are lands of the State of New Mexico, and 1,040.45 acres or 1.93% are fee or privately owned lands. That said area has heretofore, on June 8, 1956, been designated by the Acting Director of the United States Geological Survey as an area suitable and proper for unitization, a copy of said designation being attached hereto, made a part hereof

and for purposes of identification marked Exhibit A.

3. That applicant is informed and believes, and upon such information and belief, states: That the proposed unit area covers a substantial part of the geological feature involved, and in the event of the discovery of oil or gas thereon, that said unit agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That Richardson & Bass 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 commencement of at least two adequate test wells within the unit area within six months from the effective date of the unit agreement, and that the same be drilled until all formations down to and including the Devonian formation have been tested or until, at a lesser depth, unitized substances shall have been discovered in either or both wells which can be produced in paying quantities, however, unit operator is not required in any event to drill either of said wells 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, 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, and that said unit 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.

6. That application is being made for the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico.

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

DATED this the 19th day of July, 1956.

Respectfully submitted,

RICHARDSON & BASS

BY: Edward H. Jennings



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

JUN - 8 1956

Richardson and Ross
C/o Mr. Clarence Martin
Post Office Box 66
Russell, New Mexico

Continuation

Reference is made to your written application, filed with the Oil and Gas Supervisor, Russell, New Mexico, and received in the Conservation Division May 22, requesting designation of 9,666.00 acres in Bldy and Los Chantitas, New Mexico, as logically subject to development under the unitization provisions of the Mineral Leasing Act, as amended. Reference also is made to three copies of a proposed form of agreement delivered to the Conservation Division on June 5 for preliminary approval. Copies of the form were filed with the Supervisor.

Pursuant to the regulations of December 22, 1950, 30 C.F.R., 206.3, the following land is designated as a logical unit, to be known as the Little Bldy unit area:

New Mexico Principal Meridian, N. M.

T. 19 N., R. 32 E.				
sec. 29,	all			60.00
sec. 30,	lots 1, 2, 3, 4,	all		120.00
sec. 31,	lots 1, 2, 3, 4,	all		60.00
sec. 32,	lots 1, 2, 3, 4,	all		60.00
T. 19 N., R. 33 E.				
sec. 29,	all			60.00
sec. 30,	lots 1, 2, 3, 4,	all		60.00
sec. 31,	lots 1, 2, 3, 4,	all		60.00
sec. 32,	all			60.00
T. 20 N., R. 32 E.				
sec. 1,	lots 1, 2, 3, 4,	all	(all)	60.00
sec. 2,	lots 1, 2, 3, 4,	all	(all)	60.00
sec. 3,	lots 1, 2, 3, 4,	all	(all)	60.00
sec. 4,	lots 1, 2, 3, 4,	all	(all)	60.00

EXHIBIT "A"

ILLEGIBLE

T. 20 S., R. 32 E. (continued)		Agree
secs. 9 through 16, all		5,150.50
secs. 22 through 26, all		3,800.00
sec. 27, E½, E½		480.00
secs. 35, 36		1,280.00
T. 20 S., R. 33 E.		
sec. 5, lots 1,2,3,4, E½, E½(all)		63.12
sec. 6, lots 1,2,3,4,5,6,7, E½, E½, E½, E½(all)		62.05
sec. 7, lots 1,2,3,4, E½, E½(all)		699.16
sec. 8, all		60.00
sec. 17, all		60.00
sec. 18, lots 1,2,3,4, E½, E½(all)		699.88
sec. 19, lots 1,2,3,4, E½, E½(all)		60.00
sec. 20, all		60.00
sec. 29, all		60.00
sec. 30, lots 1,2,3,4, E½, E½(all)		60.60
sec. 31, lots 1,2,3,4, E½, E½(all)		60.60
sec. 32, all		60.00
T. 21 S., R. 31 E.		
sec. 1, lots 1 through 16, E½(all)		970.00
sec. 2, lots 1 through 16, E½(all)		969.92
sec. 3, E½		320.00
secs. 10 through 15, all		3,840.00
secs. 22 through 27, all		3,840.00
sec. 34, E½		320.00
secs. 35, 36		1,280.00
T. 21 S., R. 32 E.		
sec. 3, lots 1 through 16, E½		799.48
sec. 4, lots 1 through 16, E½(all)		962.84
sec. 5, lots 1 through 16, E½(all)		962.96
sec. 6, lots 1 through 16, E½, E½(all)		985.06
sec. 7, lots 1,2,3,4, E½, E½(all)		611.92
secs. 8, 9, all		1,280.00
sec. 10, E½		320.00
sec. 15, E½		320.00
secs. 16, 17, all		1,280.00
sec. 18, lots 1,2,3,4, E½, E½(all)		632.32
sec. 19, lots 1,2,3,4, E½, E½(all)		633.60
secs. 20, 21, 22, 27, 28, 29, all		3,840.00
sec. 30, lots 1,2,3,4, E½, E½(all)		674.20
sec. 31, lots 1,2,3,4, E½, E½(all)		674.72
secs. 32, 33, 34, all		1,920.00

T. 22 S., R. 31 E.

sec. 1, lots 1,2,3,4, 8 1/2
sec. 2, lots 1,2,3,4, 8 1/2

T. 22 S., R. 32 E.

sec. 3, lots 1,2,3,4, 8 1/2
sec. 4, lots 1,2,3,4, 8 1/2
sec. 5, lots 1,2,3,4, 8 1/2
sec. 6, 1,2,3,4,5, 8 1/2, 8 1/2

Total

5,000.

The two test wells to be drilled to a depth of 14,500 or to test the Devonian formation are deemed acceptable.

The form generally follows the Chalk Bluff lease unit agreement, New Mexico, except for the exclusion of a small portion of the unit down to a depth of 4000 feet as the shallow production is not to be unitized for obvious reasons. The initial 5-year period and the 90-day interval normally used in the automatic elimination subsection 2(e) has been changed to 7 years and 180 days because of the extreme depths involved in this area. Certain other modifications deemed advisable are indicated in red pencil and attached riders.

In the absence of any objections not now apparent, a duly executed agreement modified as outlined above will be approved if submitted in approvable status within a reasonable period of time. However, in line with the procedure usually sanctioned by Solicitor Armstrong in conference in his office on June 6, the executed unit agreement in as complete status as possible (or an acceptable progress report showing the status of commitments) should be filed with the Oil and Gas Supervisor in time to reach this office on or before the well on lease H. H. O'Fall reaches a depth of 5000 feet.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage, showing the current record owner of all leased leases and the current status of all lease applications, if any. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in my opinion, does not have the full commitment of sufficient lands to afford effective control of unit operations.

Very truly yours,

Director

Enclosure

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ILLEGIBLE

EXHIBIT "A"