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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. ROSERT C. BLEDSOE LAW OFFICES HERVEY, DOW & HINKLE HINKLE BUILDING ROSWELL, NEW MEXICO January 30, 1959

TELEPHONE MAIN 2-6510 Post Office Box 547

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

Re: Bogle Flats Unit Agreement

Dear Mr. Porter:

We enclose in triplicate Application of the Standard Oil Company of Texas for approval of the Bogle Flats Unit Agreement. We also enclose two copies of the proposed unit agreement. For some reason the Standard only sent us two copies of the unit agreement. We are requesting that they supply us with another copy of the unit agreement which will be forwarded to you in the near future.

We would like for you to go ahead and set this matter down for hearing before an examiner at the earliest possible time without waiting for the filing of the additional copy of the unit agreement.

Please advise us of the date of setting and furnish us with a copy of the notice.

Yours very truly,

HERVEY. DOW & HINKLE

CEH/bp Enclosures

cc: Mr. H. H. Kuester Standard Oil Company of Texas P. O. Box 1249 Houston 1, Texas

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NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION FOR APPROVAL OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE BOGLE FLATS UNIT AREA, EDDY COUNTY, NEW MEXICO

TO THE NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

Comes the undersigned, Standard Oil Company of Texas, with offices at Houston, Texas, and respectfully requests that a proposed Unit Agreement for the development and operation of the Bogle Flats Unit Area, Eddy County, New Mexico, be approved and in support thereof shows:

1. That the Unit Area comprises 5,280 acres, more or less, situated in Township 22 South, Range 23 East, New Mexico Principal Meridian, as will more particularly appear on the plat attached to the copy of the proposed Unit Agreement. That of the lands embraced in the proposed Unit Area, 4,640 acres are Federal lands and 640 acres are State lands. The location of the lands of the State of New Mexico which are included within the Unit Area is set out in particular detail and by distinctive markings on said plat attached to the proposed Unit Agreement.

2. That the lands embraced in the Unit Area were designated by the Acting Director of the United States Geological Survey on December 8, 1958 as logical for inclusion in a unit plan of operation and all of the lands situated in the Unit Area are believed to be located upon the same geological structure.

3. That said Unit Agreement has been approved as to form by the Department of the Interior and complies with the regulations of the Secretary of the Interior relative to Unit Agreements, but contains appropriate provisions for joint control between the Secretary of the Interior, the Commissioner of Public Lands, and the New Mexico Oil Conservation Commission in substantially the same form as Unit Agreements heretofore approved by the Commissioner of Public Lands, the Secretary of the Interior, and the New Mexico Oil Conservation Commission. Said proposed Unit Agreement is made subject to the approval of the Commissioner of Public Lands, the Secretary of the Interior, and the New Mexico Oil Conservation Commission, after hearing, as provided by law.

4. That the undersigned applicant is designated as Unit Operator under the terms of said Unit Agreement and, as such Unit Operator, will have the right to carry on exploration and development work in accordance with the terms of said Unit Agreement. That applicant, as Unit Operator, proposes to commence, within six (6) months from the effective date of the Unit Agreement, a test well for oil and gas upon some part of the lands embraced in the Unit Area selected by the Unit Operator and to drill said well in accordance with the terms of said Unit Agreement to a depth sufficient to test the Devonian Formation, unless oil or gas in paying quantities is encountered at a lesser depth, or to such a depth as further drilling would not be warranted, but in any event to a depth not to exceed 11,000 feet.

5. That it is believed that operations to be carried on under the terms of said Unit Agreement will promote the economic and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or area, if oil or gas should be discovered in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values; and it is further believed that such agreement will be in the interest of conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes of the State of New Mexico.

6. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement and after the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior, an approved copy of said Agreement 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,

ATTEST

Assistant Secretary

STANDARD OIL COMPANY OF TEXAS B Vice