

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF UNION OIL COMPANY OF CALIFORNIA
FOR THE APPROVAL OF THE NORTH
ANDERSON RANCH UNIT AGREEMENT
COMPRISING APPROXIMATELY 360 ACRES,
MORE OR LESS, IN TOWNSHIP 15 SOUTH,
RANGE 32 EAST, N.M.P.M., LEA
COUNTY, NEW MEXICO.

CASE NO. 1111

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Comes the applicant Union Oil Company of California and files herewith a copy of the proposed North Anderson Ranch Unit Agreement for the development and operation of the North Anderson Ranch Unit Area in Lea County, New Mexico, and hereby makes application for the approval of said unit agreement and in support thereof, states:

1. That the proposed unit area covered by said agreement embraces 360 acres, more or less, more particularly described as follows:

LEA COUNTY, NEW MEXICO

Township 15 South, Range 32 East, N.M.P.M.

Section 32: $E\frac{1}{2}NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$
Section 33: $NW\frac{1}{4}$ and $N\frac{1}{2}SW\frac{1}{4}$

That the proposed unit area is composed of 360 acres of State of New Mexico lands. There are no lands of other types in the proposed unit area.

2. That Union Oil Company of California 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 drilling of a test well to a depth sufficient to

test the Devonian Formation, or to the discovery of unitised substances in paying quantities at a lesser depth, provided that the Unit Operator shall not in any event be required to drill the well to a depth in excess of 13,500 feet.

3. 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 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. Said 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.

4. Application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

5. That upon the entry of an order by the Oil Conservation Commission approving said unit agreement and after approval thereof by the Commissioner of Public Lands, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

6. The proposed unit area is in an area suitable and proper for unitization and operations under the unit agreement will permit the producing area to be developed and operated in the interest of conservation and the production of correlative rights.

WHEREFORE, applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agree-

ment and that upon said hearing, it be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

Respectfully submitted,

UNION OIL COMPANY OF CALIFORNIA

By

A handwritten signature in dark ink, appearing to read "Howard W. Hinkle", written over a horizontal line.

Hervey, Dow & Hinkle
Box 547
Roswell, New Mexico