

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF DRILLING AND EXPLORATION
COMPANY, INC. FOR APPROVAL OF THE MESCALERO
RIDGE UNIT AGREEMENT EMBRACING LANDS IN
TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

CASE NO. 2179

TO THE HONORABLE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

Comes now the undersigned Drilling and Exploration Company, Inc., and requests approval of a Unit Agreement for the development and operation of the Mescalero Ridge Unit area in Lea County, New Mexico, and in support thereof states:

1. A copy of the Unit Agreement will be filed at the time of hearing.

2. That the proposed unit area covered by said agreement embraces 7,521.08 acres, more or less, more particularly described as follows:

Township 19 South, Range 34 East, N.M.P.M.

Section 19: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$ (All)
Section 20: All
Section 21: All
Section 22: $S\frac{1}{2}$
Section 23: $S\frac{1}{2}$
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$ (All)
Section 32: $NE\frac{1}{4}$
Section 33: $N\frac{1}{2}$
Section 34: All
Section 35: All

3. That of the lands embraced within the proposed unit area, 7,201.08 acres are federal lands and 320 acres are lands of the State of New Mexico. That said area has heretofore been designated

4. 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.

5. That ~~Drilling and Exploration Company, Inc.~~ *So. Va. Nat'l Gas Co.* 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 an initial test well to a depth sufficient to test the Mississippian formation but the unit operator is not required to drill said well in excess of 14,000 feet.

6. 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.

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 the above matter be set down for hearing at the first available Examiner's hearing, 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 13th day of January, 1961.

Respectfully submitted,

DRILLING AND EXPLORATION COMPANY, INC.

By



Hervey, Dow & Hinkle
P. O. Box 10
Roswell, New Mexico

Attorneys for Applicant