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ROSWELL PRODUCTION DISTRICT

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W. A. Shellshear DISTRICT MANAGER F. O. Mortlock DISTRICT EXPLORATION MANAGER M. I. Taylor DISTRICT PRODUCTION MANAGER

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January 17, 1961

Secretary-Director New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

> Re: In the Matter of the Application of Gulf Oil Corporation for the approval of the Unit Agreement for the development and operation of the Hackberry Hills Unit Area, Eddy County, New Mexico.

Dear Sir:

Gulf Oil Corporation respectfully herein requests the Commission's approval of the Hackberry Hills Unit Agreement, copies of which are attached hereto, on the grounds that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste. In support of its application, Gulf states as follows:

1. That the Unit Area shall be:

T-21-S, R-25-E, N.M.P.M.	T-21-S, R-26-E, N.M.P.M.
Sec. 25: S/2 Sec. 26: S/2 Sec. 27: SE/4 Sec. 34: E/2 Sec. 35: All Sec. 36: All	Sec. 31: All Sec. 32: W/2
T-22-S, R-25-E, N.M.P.M.	T-22-S, R-26-E, N.M.P.M.
Sec. 1: All (irregular) Sec. 2: All (irregular) Sec. 3: E/2 (irregular) Sec. 11: NE/4 Sec. 12: N/2 and SE/4	Sec. 5: All (irregular) Sec. 6: All (irregular) Sec. 7: All (irregular) Sec. 8: All Sec. 9: $W/2$ and $SE/4$ Sec. 10: $SW/4$ Sec. 14: $SW/4$ Sec. 15: All Sec. 16: All Sec. 17: All Sec. 18: $NE/4$ Sec. 21: $N/2$ and $SE/4$
containing 13,920.38 acres,	Sec. 22: All Sec. 23: All Sec. 26: All Sec. 27: N/2 and SE/4 more or less.

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- 2. That the Unit Area may by the terms and provisions of the Unit Agreement be enlarged or contracted as provided but that the administrative approval for any expansion or contraction of the Unit Area must also be obtained from the Secretary-Director of the Oil Conservation Commission.
- 3. That the Unit Operator shall file with the Commission an executed original or an executed counterpart of the Hackberry Hills Unit Agreement within 30 days after the effective date thereof.
- 4. That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof or by ratifying the same. The Unit Operator shall file with the Commission within 30 days an original of any such counterpart or ratification.
- 5. That the Order of the Commission should become effective upon the approval of said Unit Agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico, and shall terminate ipso facto upon the termination of said Unit Agreement. The last Unit Operator shall immediately notify the Commission in writing of such termination.

The Unit test well is projected to a depth adequate to test the Devonian formation not to exceed 12,000 feet.

Gulf Oil Corporation has previously obtained a preliminary designation of the Unit Area from the Acting Director of the United States Geological Survey, a verifax copy of which is attached hereto.

It is requested that this matter be set for hearing before an examiner at an early date.

Respectfully submitted,

GULF OIL CORPORATION

Attorney-in-Fact

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Enclosures