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BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF J. R. CONE FOR APPROVAL OF
THE CONE JALMAT YATES POOL UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

Case 2802

A P P L I C A T I O N

Comes now J. R. Cone as operator of the Cone Jalmat Yates Pool Unit, Lea County, New Mexico, and applies to the Commission for approval of the Cone Jalmat Yates Pool Unit Agreement, and in support thereof would show:

1. The proposed unit will unitize all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons within the Yates Sand formation encountered in the drilling of the J. R. Cone, et al., Nix State No. 3 well, between the depths of 3,720 feet below the Kelly bushing, and 3,950 feet below the Kelly bushing, which well is located 1,980 feet from the South and West lines of Section 13, Township 22 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

2. The unit area embraces the following described land, all located in Lea County, New Mexico, to-wit:

Township 22 South, Range 35 East

Sec. 13 - S/2
Sec. 23 - E/ 2 SE/4
Sec. 24 - All
Sec. 25 - N/2, SE/4, E/2 SW/4
Sec. 36 - NE/4

Containing 1,760 acres, more or less.

DOCKET MAILED

Date 5/1/63
[Signature]

notice and hearing the Commission enter its order approving the Unit Agreement.

Respectfully submitted,

J. R. CONE

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

3. Attached hereto is an unexecuted copy of the Unit Agreement, together with exhibits showing the lands covered, and ownership thereof. The requisite number of signed or conformed copies will be submitted for approval, and a complete and executed copy of the Unit Agreement will be filed with the Commissioner of Public Lands of the State of New Mexico. A copy of the Unit Operating Agreement will be filed with the Commission prior to hearing on this application.

4. The unit agreement is in a form heretofore approved by the Oil Conservation Commission, and has been submitted to the Commissioner of Public Lands for approval as to form and content. Provision is made for additional parties to join the unit.

5. Applicant is designated as the unit operator for the operation, development and production of unitized substances from said unit.

6. The object and purpose of the agreement is to formulate and to put into effect a secondary recovery project in order to effect the greatest recovery of oil or gas, or both, to prevent waste, and conserve natural resources in and from the unitized formation.

7. Approval of the unit agreement is in the interests of conservation, will result in the prevention of waste, protection of correlative rights, and will result in a greater ultimate recovery of oil from the lands and the formation included in the unit, and all interest owners will receive their fair share of the recoverable oil and gas in place under the lands in the proposed unit.

WHEREFORE, applicant respectfully requests that this matter be set for hearing at the earliest possible date, and that after