STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE SOUTHEAST BELL LAKE UNIT AGREEMENT LEA COUNTY, NEW MEXICO

New Mexico Oil Cons**er**vation Commission Santa Fe, New Mexico

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Comes JAKE L. HAMON of Dallas, Texas, acting by and through the undersigned attorneys, Hervey, Dow & Hinkle of Roswell, New Mexico, and files herewith three copies of the proposed Unit Agreement for the development and operation of the Southeast Bell Lake Unit Area, Lea County, New Mexico, and hereby makes application for approval of said Unit Agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission, and in support thereof shows:

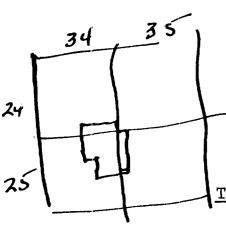
1. That the proposed unit area covered by said agreement embraces 9,597.09 acres situated in Townships 24 and 25 South, Range 34 East, N.M.P.M., more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 24 South, Range 34 East

Section 34: All Section 35: All Section 36: All

Township 25 South, Range 34 East



A11 -Section 1: A11~ 2: Section A11~ 3: Section Section 10: N₺ Section 11: A11 Section 12: A11 Section 13: A11 Section 14: A11 Section 23: N술 N号 Section 24:

Township 25 South, Range 35 East

Section 6: All Section 7: All Section 18: All Section 19: N_2^{1}

- 2. That the lands embraced in the proposed unit area consist of 1,599.52 acres of lands of the State of New Mexico, 5,918.11 acres of Federal lands, and 2,079.46 acres of fee or privately owned lands.
- 3. That the proposed unit area has heretofore been designated by the Director of the United States Geological Survey as an area logically subject to unitization, and such area has also been approved by the Commissioner of Public Lands, subject to the approval of the New Mexico Oil Conservation Commission.
- 4. That applicant is informed and believes and upon such information and belief states that the proposed unit area contains all or substantially all of the geological or geophysical feature involved and that 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 unitized substances.
- 5. That applicant will be the Operator of the Unit Agreement, and it is proposed to drill an initial test well pursuant to the terms of the unit to be located in the SE½SW½ Section 2, Township 25 South, Range 34 East, N.M.P.M., and that said well will be drilled to a depth sufficient to test the Devonian formation; however, the Unit Operator will not be obligated to drill said well in any event to a depth in excess of 15,000 feet.
- 6. That applicant believes that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the pool or field can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that the maximum recovery of unitized substances will be obtained and that said Unit Agreement is in the interest of conservation

and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes and regulations.

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, an approved copy will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of the approval of said Unit Agreement 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 the prevention of waste.

DATED this 3/2 day of May, 1963.

Respectfully submitted,

JAKE L. HAMON

HERVEY, DOW & HINKLE

Attorneys for Jake L. Hamon

P. O. Box 10

Roswell, New Mexico