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BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF  
GRAMA RIDGE UNIT AGREEMENT  
EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

3128

Comes the undersigned, Shell Oil Company, with offices at Midland, Texas, and files herewith one copy of the proposed Unit Agreement for the development and operation of the Grama Ridge Unit Area, Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by Law, and in support thereof, states:

1. That the proposed unit area covered by said agreement embraces 3,051.92 acres of land, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 21 South, Range 34 East  
Section 34: All

Township 22 South, Range 34 East

Section 3: Lots 1, 2, 3, 4, S-1/2 N-1/2  
Section 4: Lots 1, 2, 3, 4, S-1/2 N-1/2, S-1/2  
Section 5: SE-1/4  
Section 8: All  
Section 9: All

Containing 3,051.92 acres, more or less

2. That of the lands embraced within the proposed unit area, 1,607.16 acres are lands of the State of New Mexico and 1,444.76 acres are lands of the United States.

3. That application is being made for the designation of said unit area and for the approval of the form of Unit Agreement by the Commissioner of Public Lands of the State of New Mexico.

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 feature involved, except that portion already committed to the South Wilson Deep Unit, 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 the unitized substances.

5. That Shell Oil Company 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 Siluro-Devonian formation, but that applicant is not obligated to drill said well, in any event to a depth in excess of 14,800 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 field or area can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that the maximum recovery will be obtained of unitized substances, and that said Unit Agreement is in the interest of conservation and prevention of waste as contemplated by the New Mexico Oil Conservation Commission Statutes and regulations.

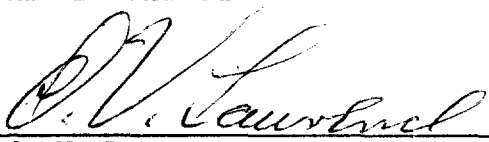
7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval thereof by the Commissioner of Public Lands of the State of New Mexico, and after approval by the United States Department of Interior, an approved copy will be filed with 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 interests of conservation and the prevention of waste.

Dated this 5th day of October, 1964.

Respectfully submitted,

SHELL OIL COMPANY

By   
O. V. Lawrence  
Roswell Division Land Manager  
Roswell, New Mexico