LAW OFFICES

HINKLE, BONDURANT & CHRISTY

HINKLE BUILDING

ROSWELL, NEW MEXICO

October 1, 1964

OF COUNSEL: HAAM M. DOW

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dia 3133

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Re: Hackberry Deep Unit

Eddy County, New Mexico

Gentlemen:

CLARENCE E.HINKLE
W. E. BONDURANT, JR.

S B. CHRISTY IV

LEWIS C. COX, JR.

PAUL W. EATON, JR.

CONRAD E.COFFIELD
HAROLD L HENSLEY. JR.

MICHAEL R. WALLER

We enclose in triplicate Application of George W. Strake for approval of the Hackberry Deep Unit Agreement embracing 3,832.60 acres in Eddy County, New Mexico. The three copies of the Unit Agreement referred to in the Application are not enclosed herewith due to the fact that the form of Unit Agreement is in the process of completion and will be filed with you in the next few days. The reason for filing the Application at this time is to be sure that this matter can be set down for hearing at the last examiner's hearing in October inasmuch as it is anticipated that the initial test well will be started before November 1. We would appreciate your advising us of the setting of the case.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

CEH:cs

Enc.

cc: Mr. C. R. Mote

cc: Mr. Fred T. Couper, Jr.

DOCKET MAILED

Date /1/3/3/3/3/

BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE HACKBERRY DEEP UNIT EDDY COUNTY, NEW MEXICO

PR 31.20

New Mexico Oil Conservation Commission Santa Fe, New Mexico

Comes George W. Strake of Houston, Texas, acting by and through the undersigned attorneys, Hinkle, Bondurant & Christy, of Roswell, New Mexico, and files herewith three copies of the proposed Unit Agreement for the Development and Operation of the Hackberry Deep Unit, Eddy 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 3,832.60 acres situated in Eddy County, New Mexico, more particularly described as follows, to-wit:

Township 19 South, Range 30 East

Section 25 - All

Section 26 - E_2^1

Section 35 - E_2^1

Section 36 - All

Township 19 South, Range 31 East

Section 30 - All

Section 31 - Lots 1, 2, 3, 4, $E_2^1W_2^1$, E_2^1 (A11)

Section 32 - W_2^L

Township 20 South, Range 30 East Section 1 - N_{2}^{1}

2. That the lands embraced in the proposed Unit Area consists of 2,832.60 acres or 73.91% of Federal lands and 1,000 acres or 26.09% of lands of the State of New Mexico.

- 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.
- 4. That applicant is informed and believes and upon such information and belief states that the proposed Unit Area covers all or substantially all of the geological structure or feature involved and that in the event of the discovery of oil or gas thereon said Unit Agreement will permit the producing area to be developed and operated in the interests of conservation and the prevention of waste of unitized substances.
- 5. That it is contemplated that applicant, George W. Strake, 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 Agreement to be located in the SW% Section 31, Township 19 South, Range 31 East, N.M.P.M. and that said well will be drilled to a depth sufficient to test the Strawn formation of Pennsylvanian age and it is anticipated that the Strawn formation will be encountered at a depth of from 11,000 to 11,500 feet but that the Unit Operator is not to be obligated to drill said well to a depth in excess of 11,500 feet.
- 6. That a portion of the lands within the Unit Area are located within the designated potash area and appropriate provisions have been inserted in the Unit Agreement for the protection of such deposits.
- 7. 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.

8. 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 by the Director of the United States Geological Survey, an approved copy of said Unit Agreement 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 the same be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and the prevention of waste.

DATED this 1st day of October, 1964.

Respectfully submitted,

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HINKLE, BONDURANT & CHRISTY

Attorneys for Applicant

P.O. Box 10

Roswell, New Mexico