

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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APPLICATION OF COASTAL STATES GAS)
PRODUCING COMPANY FOR APPROVAL OF)
THE FLYING "M" - SAN ANDRES UNIT)
AGREEMENT EMBRACING 4,080 ACRES)
IN THE FLYING "M" - SAN ANDRES)
POOL SITUATED IN TOWNSHIP 9 SOUTH,)
RANGE 33 EAST, LEA COUNTY, NEW)
MEXICO)

Case 3554

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Comes the Coastal States Gas Producing Company, acting by and through the undersigned attorneys, and hereby makes application for approval of the proposed Flying "M" - San Andres Unit Agreement embracing 4,080 acres situated in Township 9 South, Range 33 East, Lea County, New Mexico, and in support thereof respectfully shows:

1. That there is filed herewith in triplicate the proposed Flying "M" - San Andres Unit Agreement which is in substantially the same form as has heretofore been approved by the Commission where State, Federal and fee lands are involved.

2. The proposed unit area consists of the following described lands in Lea County, New Mexico, to-wit:

Township 9 South, Range 33 East

Sec. 15 - $W\frac{1}{2}W\frac{1}{2}$	Sec. 27 - $W\frac{1}{2}NW\frac{1}{4}$
Sec. 16 - All	Sec. 28 - $N\frac{1}{2}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$
Sec. 17 - All	Sec. 29 - $E\frac{1}{2}$, $E\frac{1}{2}W\frac{1}{2}$
Sec. 20 - $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$	Sec. 32 - $NE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}$
Sec. 21 - All	Sec. 33 - $W\frac{1}{2}NW\frac{1}{4}$
Sec. 22 - $W\frac{1}{2}W\frac{1}{2}$	

containing 4,080 acres, more or less.

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The unit area consists of 2,840 acres of lands of the State of New Mexico, or 69.608%, 480 acres of Federal lands, or 11.765%, and 760 acres of fee lands, or 18.627%.

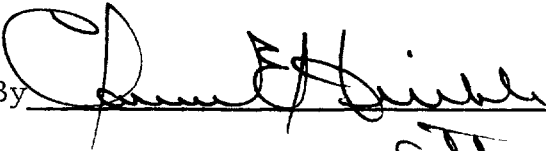
3. That most of the lands embraced within the proposed unit area are productive of unitized substances in paying quantities from the Flying "M" - San Andres Pool as defined by the Oil Conservation Commission, and the primary object of the unit agreement is to inaugurate and maintain a unit-wide pressure maintenance and secondary recovery project in order to effect additional recovery of unitized substances, prevent waste and conserve natural resources.

4. Applicant is designated as unit operator in said unit agreement and the unit agreement provides for unit-wide tract participation in all unitized substances produced, saved and marketed from the unit area upon a formula which is believed to be equitable and which will protect correlative rights of all parties having interests within the unit area which are committed to said unit agreement.


5. That the wells producing from the Flying "M" - San Andres Pool embraced within the proposed unit area have not reached an advanced or stripper stage of depletion and it is believed that by inaugurating a unit-wide pressure maintenance project the greatest ultimate recovery of unitized substances can be attained which will be in the interests of conservation and the prevention of waste.

Respectfully submitted,

COASTAL STATES GAS PRODUCING COMPANY

By 
attly -

HINKLE, BONDURANT & CHRISTY

By 
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