

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF AMERICAN TRADING)
AND PRODUCTION CORPORATION FOR)
APPROVAL OF THE SOUTHEAST LEA)
UNIT AGREEMENT EMBRACING 2,080)
ACRES, MORE OR LESS, SITUATED IN)
TOWNSHIP 20 SOUTH, RANGE 35 EAST,)
N.M.P.M. LEA COUNTY, NEW MEXICO)

Case No. 3569

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

Comes American Trading and Production Corporation, whose address is Box 992, Midland, Texas, acting by and through the undersigned attorneys, and hereby makes application for approval of the Southeast Lea Unit Agreement embracing 2,080 acres, more or less, in Township 20 South, Range 35 East, Lea County, New Mexico and in support thereof respectfully shows:

1. That there is filed herewith in triplicate the proposed Unit Agreement for the Development and Operation of the Southeast Lea Unit Area, which is in substantially the same form as has heretofore been approved by the Commission and the Commissioner of Public Lands where only State lands are involved.

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

Township 20 South, Range 35 East

Section 25 - SW $\frac{1}{4}$

Section 26 - All

Section 27 - E $\frac{1}{2}$

Section 35 - All

Section 36 - W $\frac{1}{2}$

containing 2,080 acres, more or less

All of the land embraced within the unit area are lands of the State of New Mexico.

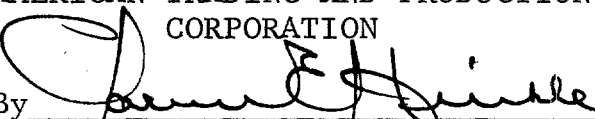
3. That applicant is designated as unit operator in said unit agreement and all oil, gas and associated hydrocarbon substances in all formations are unitized under the terms of the agreement. That Exhibit "B" attached to the unit agreement gives a description of the State oil and gas leases embracing the lands within the proposed unit area and the ownership thereof.

4. That in the opinion of applicant the proposed unit area covers all, or substantially all, of the geologic feature or anomaly involved and in the event said unit agreement is approved and production of unitized substances obtained, it is believed that said unit agreement will be in the interests of conservation and the prevention of waste and will protect correlative rights.

Applicant requests that this matter be set down for hearing before an examiner of the Commission.

Respectfully submitted,

AMERICAN TRADING AND PRODUCTION
CORPORATION

By 

Member of the Firm of
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