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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TENNECO OIL COMPANY FOR APPROVAL OF A UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE SOUTH HOSPAH UNIT, McKINIEY COUNTY, NEW MEXICO

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No. 3867

APPLICATION

Tenneco Oil Company, a Delaware corporation, hereby makes application for approval of the unit agreement for the development and operation of the South Hospah Unit Area, McKinley County, New Mexico, and in support thereof states:

- In O.C.C. Case 3660 in re "Application of Tenneco Oil Company for a Waterflood Project" the Oil Conservation Commission issued its Order R-3325 granting applicant authority to institute a waterflood project within the area hereinafter described and designated the project as "Tenneco South Upper Hospah Waterflood Project". The subject unit agreement pertains to said project.
- 2. Attached hereto and made a part hereof by reference is a copy of subject Unit Agreement which embraces the following described land as constituting the unit area:

New Mexico Principle Meridian, McKinley County, New Mexico Township 17 North, Range 9 West, Section 12: Lots 1, 2, 3, 4, 5, 6; $W_{\overline{2}}^{1}NE_{\overline{4}}^{1}$, $E_{\overline{2}}^{1}NW_{\overline{4}}^{1}$, $SW_{\overline{4}}^{1}NW_{\overline{4}}^{1}$, $NW_{\overline{4}}^{1}SE_{\overline{4}}^{1}$ $N_{\overline{2}}^{1}SW_{\overline{4}}^{1}$ containing 475.90 acres more or less.

The applicant has made application to the Director of the United States Geological Survey for the designation of said lands as logically subject to the development and operation under the unitized provisions of the Mineral Leasing Act and has obtained approval thereof subject to the approval of the New Mexico Oil Conservation Commission.

Exhibit A attached to the Unit Agreement is a map showing the unit area and the boundaries and identity of tracts and leases in said unit area to the extent known to the unit operator. Attached hereto as Exhibit B is a list of names and addresses of all of the interested parties owning overrides and production payments. Tenneco Oil Company is the only working interest owner.

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efficiently under the terms of said Unit Agreement to the end that the maximum recovery will be obtained and that said Agreement is in the interests of the conservation of oil and gas and the prevention of waste.

WHEREFORE Applicant prays that this application be set for public hearing before an examiner in Santa Fe, New Mexico; that notice be issued according to law and that upon hearing, said Unit Agreement be approved.

WHITE, GILBERT, KOCH & KELLY

Attorneys for Applicant

P. O. Box 787, Santa Fe, New Mexico

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