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J. P. WHITE BUILDING
POST OFFICE BOX 1737
ROSWELL, NEW MEXICO

November 23, 1970

Case 4476

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr.

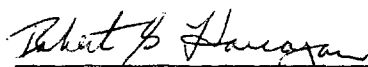
Re: Application for Hearing -
Catclaw Draw Unit
Eddy County, New Mexico

Dear Sir:

Enclosed is Application for Approval of the above captioned. Since the lease situation requires that we be drilling on or before January 31, 1971, we would certainly appreciate your having this application set on the earliest possible docket. Thank you for your coopeation and if there is anything further you need us to furnish in regard to this application, please let us know.

Very truly yours,

HANAGAN PETROLEUM CORPORATION


Robert G. Hanagan

RGH:ab
Encls.

P. S. We have not yet quite finished the Unit Agreement but will in the next few days and a copy of same will be sent to you at that time.

R. G. H.

DOCKET MAILED

Date 12-4-70

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
CATCLAW DRAW UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Case 4476

Comes the undersigned, Hanagan Petroleum Corporation, with offices at Roswell, New Mexico, and files herewith one copy of the proposed Unit Agreement for the development and operation of the Catclaw Draw Unit Area, Eddy 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 6,720.00 acres of land, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 21 South, Range 25 East

Section 13: S $\frac{1}{2}$
Section 14: S $\frac{1}{2}$
Section 15: S $\frac{1}{2}$
Sections 22, 23, 24, 25, 26, 27: All
Sections 34, 35, 36: All

*Amir
Ward
Carlsbad*

Containing 6,720.00 acres, more or less.

2. That of the lands embraced within the proposed unit, 1840.00 acres are lands of the State of New Mexico; 4,400.00 acres are lands of the United States; and 480.00 acres are patented or fee lands.

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, 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 Hanagan Petroleum Corporation 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 penetrate the Upper Mississippian (Barnett shale) formation, but that applicant is not obligated to drill said well, in any event to a depth in excess of 10,800 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.

8. WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of 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 23rd day of November, 1970.

Respectfully submitted,

HANAGAN PETROLEUM CORPORATION

By Robert G. Hanagan
Robert G. Hanagan, President
J. P. White Building
P. O. Box 1737
Roswell, New Mexico 88201