

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF LLANO, INC. FOR APPROVAL
OF THE UNIT AGREEMENT FOR THE GRAMA
RIDGE MORROW UNIT EMBRACING SECTION 34,
TOWNSHIP 21 SOUTH, RANGE 34 EAST AND
SECTION 3, TOWNSHIP 22 SOUTH, RANGE 34
EAST, LEA COUNTY, NEW MEXICO FOR SECOND-
ARY RECOVERY AND GAS STORAGE PURPOSES.

No. 4895

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Llano, Inc., acting by and through the undersigned attorneys, and hereby makes application for approval of the Unit Agreement for the Grama Ridge Morrow Unit embracing Section 34, Township 21 South, Range 34 East and Section 3, Township 22 South, Range 34 East, Lea County, New Mexico for secondary recovery and gas storage purposes, and in support thereof respectfully shows:

1. There is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the outlines of the proposed unit area consisting of Section 34, Township 21 South, Range 34 East and Section 3, Township 22 South, Range 34 East, Lea County, New Mexico, containing 1280 acres, more or less.

2. All of the lands within the unit area are lands of the State of New Mexico. On August 19, 1965 the State GRA Well No. 1 was completed in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 3, Township 22 South, Range 34 East and on March 21, 1966 the State GRB Well No. 1 was completed in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 34, Township 21 South, Range 34 East. Both of said wells were completed as gas wells in the Morrow formation and were initially potentialed at 26.5 and 34.2 MMCF/D. Applicant is now the owner of the oil and gas leases covering the lands within the proposed unit area.

3. The unit agreement is being formed for both secondary recovery and gas storage purposes and applicant contemplates injecting gas into the above mentioned wells from time to time and withdrawing the same and separating the liquid hydrocarbons at the time of withdrawal. Said gas will be obtained from non-unitized land. One hundred

percent of the leasehold interests will be committed to the unit agreement and it is anticipated that applicant will be operator of the unit.

4. Applicant believes that the formation of the unit for the purposes indicated will be in the interest of conservation and the prevention of waste and will tend to protect correlative rights.

5. There are filed herewith three copies of the proposed unit agreement, which has been approved as to form by the Commissioner of Public Lands.

6. Applicant requests that this matter be included on the docket for the examiner's hearing on January 17, 1973.

Respectfully submitted,

LLANO, INC.

By 

HINKLE, BONDURANT, COX & EATON

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Attorneys for Applicant

