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THE PLAZA

SANTA FE, NEW MEXICO 87501

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December 20, 1977

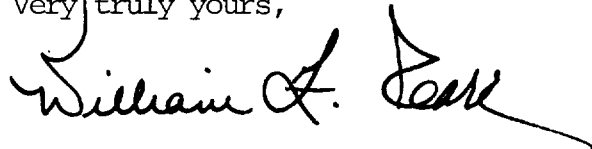
Oil Conservation Commission  
State of New Mexico  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey,  
State Petroleum Engineer

Dear Mr. Ramey:

Enclosed herewith, in triplicate, is the application of HNG Oil Company for approval of the Shoebar Ranch Unit Agreement, embracing 961 acres of land, more or less, in Lea County, New Mexico. HNG Oil Company requests that this matter be set for the Examiner's Hearing to be held on January 18, 1978.

Very truly yours,



William F. Carr

WFC/ss

enclosures

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Oil Conservation Commission

DEC 21 1977

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BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLI-  
CATION OF HNG OIL COMPANY  
FOR APPROVAL OF A UNIT AGREE-  
MENT, LEA COUNTY, NEW MEXICO.

CASE 6124APPLICATION

Comes now HNG Oil Company, by their undersigned attorneys, and hereby makes application for an order approving its Shoebar Ranch Unit Agreement and in support of this application would show the Commission:

1. That the proposed Unit Agreement consists of 961 acres, more or less, situated in Lea County, New Mexico, all of which are state lands. The horizontal limits of said Unit are described as follows:

Township 16 South, Range 35 East, N.M.P.M.

Section 33: SE 1/4

Section 34: S 1/2

Township 17 South, Range 35 East, N.M.P.M.

Section 3: Lots 1, 2, 3, 4, S 1/2 N 1/2

Section 4: Lots 1, 2, S 1/2 NE 1/4

2. That all owners of interest within the Unit Area have been or will be offered the opportunity to join the Unit Agreement.

3. That the Unit Agreement has been approved by all of the working interest owners holding interests within the proposed Unit Area. It is expected that by the date which will be set for hearing on this application, the Unit Agreement will have been executed by all, or substantially all, of the owners of overriding royalty interest and other interests in the land included within the Unit Area.

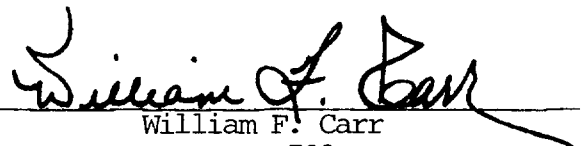
4. That the applicant, HNG Oil Company, is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations down to the Morrow formation or 14,000 feet are being utilized.

5. That the Unit Agreement has been approved as to form and content by the State Land Office.

6. That, in the opinion of the applicant, the proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved; and in the event said Unit Agreement is approved and production of unitized substances is obtained, it is believed that said Unit Agreement will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

HNG Oil Company requests that this Application be set for hearing before a duly appointed Examiner of the Oil Conservation Commission on January 18, 1978, that notice be given as required by law and the rules of the Commission, and that the Shoebar Ranch Unit Agreement be approved.

Respectfully submitted,  
CATRON, CATRON & SAWTELL

By   
William F. Carr  
P.O. Box 788  
Santa Fe, New Mexico 87501  
Attorneys for Applicant