

16-10-74
C. L. L. L.

BEFORE THE OIL CONSERVATION COMMISSION OF
THE DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF MARALO, INC., FOR
APPROVAL OF STATUTORY UNITIZATION
LEA COUNTY, NEW MEXICO

APPLICATION

Maralo Inc., hereby makes application for an order for the unit operation of the Jalmat Yates Unit in Lea County, New Mexico and states:

1. The proposed Unit Area consists of the following described lands located in Lea County, New Mexico, to-wit:

Township 25 South, Range 36 East, N.M.P.M.

Section 12: SE $\frac{1}{4}$
Section 13: NE $\frac{1}{4}$

Township 25 South, Range 37 East, N.M.P.M.

Section 18: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

containing 560 acres, more or less.

2. The vertical limits to be included in said Unit as to the above described lands are to be all formations or zones extending from the top of the Yates formation down to 100 feet below the base of the Queen formation with said interval having heretofore been found to occur in the Maralo, Inc., Humble - Winters "A" Well No. 2 originally drilled by Humble Oil and Refining Company as their E. C. Winters "C" Well No. 2 (located 660 feet from the North line and 1,980 feet from the West line of Section 18, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico at an indicated depth from 2,848 feet to 100 feet below the base of the Queen formation with the base of the Queen formation estimated to occur 280 feet below the total drilled depth of 3,400 feet as recorded on the Perforating Guns Atlas Corporation's Simultaneous Radiation Log dated January 19, 1974 with said log being measured from 1 foot above a rotary table elevation of 3,137 feet above sea level.

3. The reservoir or portion thereof involved in this application has been reasonably defined by development.

4. The type of operations contemplated for the Unit Area shall consists of what is commonly known as the secondary recovery operations by water flooding.

5. A copy of the proposed plan of unitization, which applicant considers fair, reasonable and equitable has heretofore been furnished to the Commission and the same is hereby incorporated herein by reference for all purposes.

6. A copy of the proposed operating plan for said Unit, covering the manner in which the Unit will be supervised and managed and costs allocated and paid has heretofore been submitted to the Commission and the same is hereby incorporated herein by reference for all purposes.

7. In accordance with the requirements of the Statutory Unitization Act, applicant does hereby allege the following facts:

(a) The Unitized Management Operation and further development of the oil or gas pool involved herein, or portion thereof, is reasonably necessary in order to effectively carry on secondary recovery operations to substantially increase the ultimate recovery of oil and gas from the pool or unitized portion thereof;

(b) Said secondary recovery operations as applied to such pool or a portion thereof is feasible, it will prevent waste and will result with reasonable probability in the increased recovery of subsantially more oil and gas from the pool or unitized portion thereof than would otherwise be recovered;

(c) Estimated additional costs, if any, of conducting the operations sought hereunder