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June 19, 1980

Mr. Joe D. Ramey Director Oil Conservation Division New Mexico Department of Energy and Minerals Post Office Box 2088 Santa Fe, New Mexico 87501 OIL CONSTRUCTION DIVISION
SANTA IE

Case 6987

Re: Application of Getty Oil Company for Statutory Unitization of the Myers Langlie-Mattix Unit, Lea County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the application of Getty Oil Company for statutory unitization of the Myers Langlie-Mattix Unit. As you will note, this application seeks an Order unitizing certain small royalty interests thereby enabling Getty to enter lease line agreements and implement operating practices which will extend the life of this unit. Getty Oil Company requests that this case initially be set before the full Oil Conservation Commission and would request that it be included on the docket for the Commission hearing which we understand has tentatively been set for August 5, 1980.

Your attention to this request is appreciated.

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William F. Carr

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Enclosures

cc: Getty Oil Company

BEFORE THE OIL CONSERVATION DIVISION OIL CONSERVATION COMMESSION SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF GETTY OIL COMPANY FOR APPROVAL OF STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO

CASE <u>6987</u>

APPLICATION

Comes now, GETTY OIL COMPANY, by and through its undersigned attorneys and pursuant to the provisions of the Statutory Unitization Act (Sections 70-7-1 through 70-7-21, N.M.S.A., 1978 Comp.) hereby applies to the New Mexico Oil Conservation Commission for an Order unitizing the Myers Langlie-Mattix Unit, Lea County, New Mexico, and in support of its application states:

- 1. Getty Oil Company (Getty) is a Delaware corporation authorized to transact business in the State of New Mexico, and is engaged in the business of, among other things, producing and selling oil and gas.
- 2. The Proposed Unit Area for which this application is made consists of 9,360 acres, more or less, of Federal, State and Fee land in Lea County, New Mexico, and is more particularly described on Exhibit A attached hereto and incorporated herein by reference. Getty proposes to seek an order pursuant to the Statutory Unitization Act providing for unitized management, operation and further development of the Project Area. A plat of the Project Area is attached hereto as Exhibit B and incorporated herein by reference.
- 3. The vertical limits of the formation to be included within the proposed unit area means that interval which

extends from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company's Blinebry "B" No. 3 well (located 2310 feet from the west line and 330 feet from the north line of Section 34, Township 23 South, Range 37 East, Lea County, New Mexico) at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

- 4. The portion of the reservoir involved in this application has been reasonably defined by development.
- 5. The type of operations being conducted in this unit is secondary recovery by means of water flooding.
- 6. Attached to this application as Exhibit C and incorporated herein by reference is a copy of the proposed plan of statutory unitization which Getty considers fair, reasonable and equitable.
- 7. Attached to this application as Exhibit D and incorporated herein by reference is a copy of the proposed operating plan covering the manner in which the unit will be supervised and managed and costs allocated and paid.
- 8. Getty further states:
 - a. That the unitized management, operation and further development of the portion of the Langlie-Mattix pool which is the subject of this application

is reasonably necessary in order to effectively carry on secondary recovery operations and to substantially increase the ultimate recovery of oil from the unitized portion thereof.

- b. That unitized methods of operations applied to the portion of the Langlie-Mattix pool which is the subject of this application are feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil from the unitized portion of the pool than would otherwise be recovered.
- c. That the estimated additional costs, if any, of conducting such operations will not exceed the estimated value of additional oil so recovered plus reasonable profit.
- d. That such unitization and adoption of unitized methods of operation will benefit the working interest owners and the royalty owners of the oil and gas rights within the portion of the pool directly affected.
- e. That Getty Oil Company, as operator, has made a good faith effort to secure voluntary unitization within the portion of the pool affected by this application.
- f. That the participation formula contained in the unitization agreement allocates the produced and saved unitized hydrocarbons to the separately owned tracts in the unit area on a fair, reasonable and equitable basis.
- 9. Approval of the statutory unitization of the Myers Langlie-Mattix unit sought hereunder is in the interest

of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Getty Oil Company respectfully requests that this application be set for hearing before the full Commission at the earliest practicable date and that the Commission enter its order granting this application.

Respectfully submitted, CAMPBELL AND BLACK, P.A.

William F. Carr

Attorneys for Applicant Post Office Box 2208

Santa Fe, New Mexico 87501

PROPOSED UNIT AREA

MYERS LANGLIE-MATTIX UNIT

LEA COUNTY, NEW MEXICO

TOWNSHIP 23 SOUTH, RANGE 36 EAST, N.M.P.M. Section 25: N/2 NE/4, SE/4 NE/4, E/2 SW/4, SW/4 SW/4, and SE/4

N/2, SE/4, and E/2 SW/4Section 36:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 28: SW/4

Section 29: W/2, W/2 E/2, and E/2 SE/4
Section 30: N/2, SW/4, N/2 SE/4, and SW/4 SE/4
Section 31 through 33: All
Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 1: NE/4 NE/4 Section 12: S/2 N/2, N/2 S/2, and SE/4 SE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 2: W/2 NE/4 and W/2

Section 3: NE/4, E/2 SE/4, and W/2 SW/4

Sections 4 and 5: All

Section 6: E/2, E/2 W/2, and NW/4 NW/4

Section 7: N/2, SE/4, S/2 SW/4

Section 8: N/2, N/2 S/2, and SW/4 SW/4

Section 9: NW/4, N/2 SW/4, N/2 NE/4, SE/4 NE/4

Section 10: NW/4, W/2 NE/4, SE/4 NE/4, E/2

SW/4, and W/2 SE/4

Section 11: SW/4 NW/4

The "Unitized Formation" shall mean that subsurface portion of the Proposed Unit Area known as the Langlie-Mattix Pool in the interval which extends from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in the Texas Pacific Oil Company to Blinebry "B" No. 3 well (located 2310 feet from the west line and 330 feet from the north line of Section 34, Township 23 South, Range 37 East, Lea County, New Mexico) at an indicated depth interval of 3168 feet to 3570 feet, as recorded on the Schlumberger Electrical log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3300 feet above sea level.

