

RANDOLPH M. RICHARDSON

OIL AND GAS LAND AND UNIT CONSULTANT

FEDERAL - STATE - FEE

P. O. BOX 819

ROSWELL, NEW MEXICO 88201

January 26, 1981

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In Re: Campbell Station Unit Area
Chaves County, New Mexico

Mr. R. L. Stamets
Oil Conservation Division
New Mexico Department of Energy
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 7157

Dear Mr. Stamets:

I am enclosing three copies of Application for Approval, together with one copy of Unit Agreement in connection with the captioned Campbell Station Unit Area.

I would appreciate your placing this Unit on the first available docket.

I would also like to call your attention to the fact that this Unit is 100% State land, and will not involve the U.S.G.S.

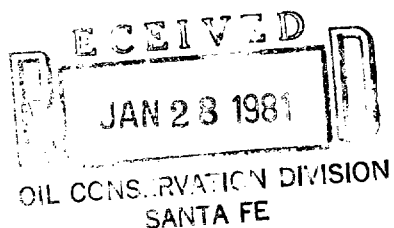
Thank you very much.

Yours truly,



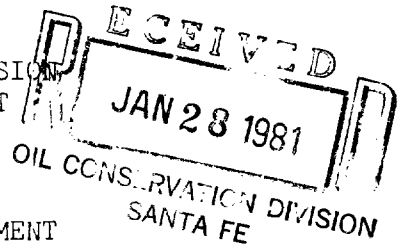
R. M. Richardson

RMR/sr
Enclosures
xc: Mr. Carl A. Schellinger



BEFORE THE OIL CONSERVATION DIVISION
ENERGY AND MINERALS DEPARTMENT
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL
THE CAMPBELL STATION UNIT AGREEMENT
CHAVES COUNTY, NEW MEXICO



New Mexico Oil Conservation Division
Santa Fe, New Mexico 87501

Case 7157

Comes the undersigned, Carl A. Schellinger, with offices in Roswell, New Mexico and files herewith one (1) copy of the proposed Unit Agreement for the development and operation of the Campbell Station Unit Area, Chaves County, New Mexico, and hereby makes application for 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 3,840.96 acres of land, more or less, more particularly described as follows:

T-8-S, R-27-E, NMPM
Sec. 32: E $\frac{1}{2}$
Secs. 33, 34: All

T-9-S, R-27-E, NMPM
Secs. 3, 4: All
Sec. 5: E $\frac{1}{2}$
Sec. 9: N $\frac{1}{2}$
Sec. 10: N $\frac{1}{2}$

Containing 3,840.96 acres,
Chaves County, New Mexico

2. That all lands, 100%, embraced within the Unit Area are State of New Mexico Lands.

3. That Applicant is informed and believes, and upon such information and belief, states, that the proposed Unit Area covers all, or substantially all, of the geological feature involved, and that in the event of production of oil and gas thereon, that said Unit Agreement will permit the producing area to be developed or operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That Carl A. Schellinger, is designated as the Unit Operator in said 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 the test well to a depth sufficient to reach basement granite and test all beds of younger age formation, but applicant is not required to drill said well in any event to a depth in excess of 7,000 (seven thousand) feet.

5. That the applicant believes that in the event oil or gas is discovered in paying quantities on lands within the Unit Area, that the area can be developed more economically and efficiently under the terms of said Unit Agreement to the end that 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 Division rules and regulations.

6. That application for approval of said Unit Agreement has been filed with the Commissioner of Public Lands of the State of New Mexico.

7. That upon an Order being entered by the New Mexico Oil Conservation Division approving said Unit Agreement, an approved and executed copy will be filed with the Oil Conservation Division.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of said Unit Agreement, and that upon said hearing, said Unit Agreement be approved by the New Mexico Oil Conservation Division as being in the interest of conservation and the prevention of waste.

Applicant respectfully requests that this matter be heard at the first available hearing following this date.

DATED this 26th day of January, 1981.

Carl A. Schellinger

By Randolph M. Richardson, III
Randolph M. Richardson, III

Attorney at Law

Post Office Box 819

Roswell, New Mexico 88201