# Casa Mo.

1023

Application, Transcript, Small Exhibits, Etc.

> CASE 1023: Sinclair Oil 2 Cas C Application for approval of Sean

Movember 20, 1970

Mailerson Maile

Cities Service Oil Company
800 Vauga Building

800 Vauga Building Midland, Toune 79701 ATTENTION: Mr. John W. Young

Petrolema Corporation of Texas P. O. Ben 911 Breckenzidge, Texas 75024

Skelly Gil Company P. O. Ben 993 Midland, Tenne 79701 ATTENTION: Mr. V. R. Bertlett

Atlantic Richfield P. Q. New 1410 Midland, Texas 79701 ATTEMPTON: Nr. Jack Baird

No: TRANSMATION
Seeman Unit
State of New Mexico Oil & Gas
Leases: E-990, E-1240, E-1244,
and part of E-912

Gentlemen:

This is to officially notify you that the Commissioner of Public Lands has this date terminated the Seamon Unit effective as of October 30, 1970.

GORDON G. HARCUM, II, Director Oil and Gas Department

AJA/GGM/8

cc: OCC-Santa Fe, New Mexico

Q	٥	ū
County	perator	Unit Name_SEAMAN
LEA	Operator SINCLAIR OIL AND GAS COMPANY	SEAMAN

DATE APPROVED 2-17-56	
OCC CASE NO. 1023 OCC ORDER NO. 780	•
DATE 3-29-56	
TOTAL ACREAGE 1,522.05	
STATE 1,522.05	
FEDERAL	
INDIAN-FEE	
SEGREGATION CLAUSE TERM Yes-Modified 2 Yrs	
TERM 2 Yrs.	

UNIT AREA

TOWNSHIP 16, SOUTH, RANGE 33 EAST, N.M.P.M., NEW MEXICO

Section 12: Section 13: Section 24: SE/4, NE/4 SE/4, NE/4

TOWNSHIP 16 SOUTH, RANGE 34 EAST, N.M.P.M., NEW MEXICO

Section 7: Section 18: Section 19: Lots 3 and 4, E/2SW/4 Lots 1,2,3 and 4, E/2NW/4, E/2SW/4 Lots 1,2,3 and 4, E/2NW/4, E/2SW/4

> TERMINATED EHT 10-30-70

Unit Name SEAMAN
Operator SINCLAIR OIL AND GAS COMPANY
County LEA

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7	<b>.</b>	ij	4	W		شخ فسخ	STATE TRACT NO.
E-944	E-1244	E-1156	E-990-0	E-1078-1	E-1240-1	E-912-1 E-912-1	LEASE NO.
C.S.	C.S.	C.S.	C.S.	C.S.	C.S.	c.s.	INSTI-
19	18	12	, <b>7</b>	24	13	13 24	SEC.
16-S	16-S	16-S	16-S	16-S	16 <b>-S</b>	16-S	TWP.
34-E	34 <b>-E</b>	33 <b>-</b> E	34 <b>-8</b>	33 <b>-</b> 2	33 <b>-</b>	33 33 33 34 84 84	RGE.
Lots 1,2,3,4, E/2NW/4, E/2SW/4	Lots 1,2,3,4, E/2NW/4, E/2SW/4	SE/4	Lots, 3,4, E/2SW/4	SE/4	NE <b>/4</b>	SE/4 NE/4	SUBSECTION
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289.48	288.56	160.00	144.01	160.00	160.00	160.00 160.00	IED ACRES
Sinclair Oil & Gas Co.	Cities Service Oil Co.	Skelly Oil Company	Cities Service Oil Co.	Sinclair Oil & Gas Co.	Shell Oil Company	Shell Oil Company Shell Oil Company	ACREAGE NOT RATIFIED LESSEE

TERMINATED

# UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE SEAMAN UNIT LEA COUNTY, NEW MPXICO

THIS AGREEMENT, entered into as of the 19th day of January.

195 (a) by and between the parties subscribing, ratifying or consenting berete, and herein referred to as the "parties herete,"

#### HITHESSETH:

WERRAS; the parties here to are the owners of working, repulty or other eil or gas interests in the unit area subject to this agreement;

METRIAS, the Commissioner of Pablic Lands of the State of New Mexico is sutherized by an Act of the Legislature (Sec. 3, Chap. 68, Lans 19k3) as emended by Sec. 1 of Chapter 162, Lans of 1951, to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

MHEREAS, the Commissioner of Peblic Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chapter 162, Laws of 1951) to smend with the approval of the lesses, any oil and gas lesse embracing State lands so that the length of the term of said lesse may coincide with the term of such agreements for the unit operation and development of part of or all of any oil or gas pool, field or area; and

WHERMAS, the Oil Conservation Commission of the State of New Mexico (hereinafter referred to as the "Commission") is authorised by an Act of the Legislature (Chap. 72, Laws 1935) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Seaman Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

OIL COME OF THE WISSION

SAMPA TO BENEVO

CASE 11

whereas, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below defined unit area, and agree severally except themselves as follows:

1. UNIT AREA: The following described land is hereby designated and recognised as constituting the Seamen Unit area:

#### NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

#### T. 16 S., R. 33 E.

Sec. 12: SE2 Sec. 13: SE2, NE2 Sec. 2h: SE2, NE2

#### T. 16 S., R. 34 E.

situated in Lea County, New Mexico, containing 1522.05 acres, more or less.

boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner."

The above described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement. Such expansion shall be effected in the following manner:

- (a) Unit Operator, on its own motion or on demand of the Commissioner shall prepare a motice of proposed expansion describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.
- (b) Said notice shall be delivered to the Commissioner and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.
- (e) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Commissioner evidence of mailing of the notice of expansion and a copy of any objections therete which have been filed with the Unit Operator.
- (d) After due consideration of all partiment information, the expansion shall, upon approval by the Consissioner, become effective as of the date prescribed in the notice thereof, provided, however, if more than 25% on an acreage basis object to such expansion, the came shall not be approved; provided, however, that should the interest of any objecting working interest owner equal or exceed 25% on an acreage basis, then and in that event in order to make such objection effective hereunder one additional working interest owner must join in such objection.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement."

- 2. UNITIZED SUBSTANCES: All oil, gas, natural gasoline and associated fluid hydrocarbons in any and all forsations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."
- 3. UNITY OPERATOR: Sinclair Oil & Gas Company, a Maine corporation, is hereby designated as Unit Operator and by signature hereto commits

set forth in Exhibit "B", and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and preduction of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such as interest is comed by it.

h. RESIGNATION OR HENCYAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time but such resignation shall not become effective until a successor Unit Operator has been selected and approved in the manner provided for in Article 5 of this agreement. The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

Unit Operator may, upon default or failure in the performance of its duties or obligations horsunder, be subject to removal by the same percentage vete of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner.

ment shall not terminate its right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the comers thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

- 5. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitimed land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than 65 per cent of the working interests qualified to vote is owned by one party to this agreement, a consurring vete of sufficient additional parties, so as to constitute in the aggregate not less than 65 per cent of the total working interests, shall be required to select a new operator. Euch selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.
- 6. ACCOUNTING PROVISIONS: The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations bereamder and such costs and expenses and the working interest benefits according hereunder shall be apportioned among the owners of the unitised working interests in accordance with an operating agreement by and between the Unit Operator and the other owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this article, whether one or more, are herein referred to as the "Operating Agreement" or "Unit Operating Agreement." No such agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation astablished under this Unit Agreement, and in case of any inconsistencies or conflict between this Unit Agreement and the Operating Agreement this Unit Agreement shall prevail.
- 7. HIGHE AND OBLIGHTIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or

convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY: Within sixty (60) days after the effective date hereof, the Unit Operator shall commence operations upon an adequate test well for oil and gas at a location 660 feet from the South line and 660 feet from the Fast line of Section 13. Township 16 South, Range 33 East, and shall drill said well with due diligence to a depth of lk.750 feet or to a depth sufficient, in the opinion of Unit Operator, to test the Devenian Formation, whichever is the lesser depth, or to such lesser depth as unitized substances shall be discovered in paying quantities or until it shall, in the opinion of the Unit Operator, be determined that the further drilling of said well shall be unwarranted or impracticable. Until a discovery of a deposit of unitised substances capable of being produced in paying quantities, Unit Operator shall contimes drilling diligently, one well at a time, allowing not more than six menths between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the Unit Operator that the unitized land is incapable of producing unitized substances in paying quatities in the formations drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling

of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his coninion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, leases and lessor at their last known addresses, declare this Unit Agreement terminated.

9. PARTICIPATION AND ALLOCATION OF PRODUCTION AFTER DISCOVERY:
All unitized substances produced from the unit area, except any part thereof used within the unit area for production or development purposes or unavoidably lost, shall be deemed produced equally on an acreage basis from the several tracts of unitized lami and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of production as the number of acres of unitized land within the unit area, except that allocation of production hereunder for purposes other than settlement of royalty, overriding royalty or payment out of production obligations of the respective working interest owners shall be on the basis prescribed in the Unit Operating Agreement, whether in conformity with the basis of allocation herein set forth or otherwise.

Notwithstanding any provision contained herein to the contrary, each working interest owner shall have the right to take such owner's preportionate share of the unitised substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time to so do.

10. PARKENT OF RESTALS, ROYALTIES AND CVERRIDING HOTALTIES. All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitised substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitised substances allocated to the respective leases, and in such case the Unit Operator shall make deliveries of such royalty oil in accordance with the terms of the respective leases.

If the Unit Operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operations consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this Unit Agreement.

If any lease committed hereto is burdened with an overriding repair, payment out of production, or other charge, in addition to the usual ens-eighth (1/8) royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to it under the terms of the Unit Operating Agreement.

APPLY TO LANUS WITHIN THE UNITIZEL AREA: The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts
relating to the exploration, drilling, development or operation for oil or
gas of the lands committed to this agreement, shall, upon approval hereof
by the Commissioner, be and the same are hereby expressly modified and
assended insofar as they apply to lands within the unitized area to the
extent necessary to make the same conform to the provisions hereof and so

that the length of the secondary term as to lands within such area will be extended insofar as necessary to coincide with the terms of this agreement and the approval of this agreement by the Commissioner and the leases aball, without further action of the Commissioner or the lesses, be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein so long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been consended er said well is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lesse committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws shall continue in full force and effect thereefter. The commencement, completion, operation or production of a well on any part of the unit area shall be respectively construed and considered as the commencement or completion or operation or production of a well within the terms and provisions of each of the oil and gas leases to the same extent as though such commencement, completion, operation or production was carried on, conducted and/or obtained from any such leased tract.

Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective data hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease ambracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if unitized substances are discovered and are capable of being produced in paying quantities from some part of the

lands embraced in such lesse committed to this agreement at the expiration of the secondary term of such lesse; or if, at the expiration of the secondary term, the lessee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lesse, the same as to all lands embraced therein shell remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of unitized substances, said lesse shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as unitized substances in paying quantities are being produced from any portion of said lands.

- 12. CONSERVATION: Operations hereunder and production of unitised substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.
- 13. DRAINAGE: The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized lands by wells on land not subject to this agreement.
- the COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or lesses subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantes, transferse, or other successor in interest. No assignment or transfer of any working, royalty or other interest subject hereto shall be binding upon Unit Operator until the first day of the celendar month after Unit Operator is furnished with the original, photostatic or certified copy of the instrument of transfer.
- 15. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Commissioner and shall terminate in the years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has

thereof in which case this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than 65 per cent on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner. Likewise, as provided in Article 8 hereof, the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lesses and lesser at their last known addresses, declare this Unit Agreement terminated.

- 16. RATE OF PRODUCTION: All production and the disposal thereof shall be in conformity with allocations, allotments and quotes made or fixed by the Commission and in conformity with all applicable laws and lawful regulations.
- 17. APPEARANCES: Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Commissioner of Public Lambs and the New Mexico Cil Commercation Commission and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at its own expense to appear and to participate in any such proceeding.
- ander to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered sail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

19. UNAVOIDABLE DELAY: All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to eperate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while, but only so long as, the Unit Operator, despite the evervise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, war, acts of Ged, Pederal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable centrol of the Unit Operator whether similar to matters herein enumerated or not.

20. LOSS OF TITLE: In the event title to any tract of unitised land or substantial interest therein shall fail and the true owner cannot be induced to join the Unit Agreement so that such tract is not committed to this agreement or the operation thereof hereunder becomes imprecticable as a result thereof, such tract may be climated from the unitized area, and the interest of the parties readjusted as a result of such tract being eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof without liability for interest until the dispute is finally settled, provided that no payment of funds due the State of New Mexico shall be withheld, but such funds shall be deposited with the Commissioner of Public Lands to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

21. SUBSTICUENT JOINDER: Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to

this agreement or executing a ratification theraof, and if such owner to also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development and operation. After operations are commenced hereunder, the right of subsequent joinder by a working interest owner shall be subject to all of the requirements of any applicable operating agreement between the working interest owners relative to the allocation of production and the costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the filing with the Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such Joing party or parties before participating in any benefits hereunder shall be required to assume and pay to Unit Operator their proportionate share of the unit expense incurred prior to such party's or parties' joinder in the Unit Agreement, and the Unit Operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

22. COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

IN WITHES THEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set opposite their signatures.

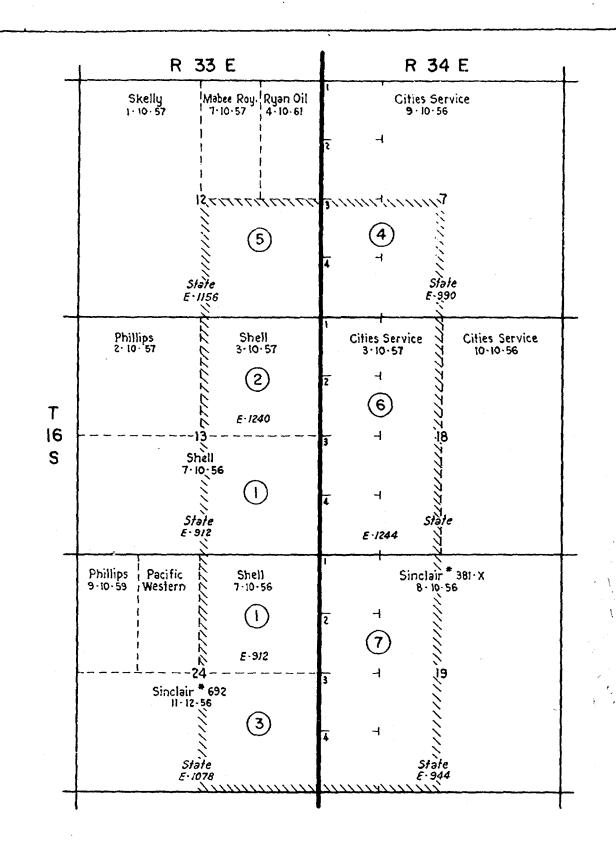
ATTEST:	SINCIAIR OIL & GAS COMPANY	MR OF
ssistant Secretary	Vice-President	a
ato:	Address: 901 Fair Suilding Fort Forth 2, Texas	
	UNIT OPERATOR AND BORKING INTEREST	

CHRIST

#### FORKING INTEREST CHARGES

Louis B. She land Answers Cours Cours Cours Land	By Gresident Skelly Building Tules, Oklahema
ATTERES.	CITIES SERVICE OIL COMPANY
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	By C. Housel Attorney-in-Fact
Batta 20000000000000000000000000000000000	Address: Bartlesville, Oklahoma
ATTEST Lighton	SHELL OIL COMPANY  NICE - President
Dero: Jan. 19, 1956	Address: Petroleum Euilding Midland, Texas
v	
STATE OF TEXAS (COUNTY OF TARRANT (COUNTY OF TARRAN	
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. <i>-</i>	6, by P. C. BROCKE, Vice-President
of SINCLATH OIL & GAS COMPANY, . Me	
corporation.	
My commission expires:	Motary Public in and for Tarrent County, Texas
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COUNTY OF TULSA ()	
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day of surary, 195	6 The anhance
Procides of SKE	LLY GIL COMPANY, a Delaware corporation, on
behalf of said corporation.	
centry or same corbonerrous	A
	William Masser
	Notary Pablic in and for
by consission expires:	Tules County, Oklahoma
<b>格技術 植、取り物</b>	
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rate of Oklahoma )	į.
) 88 Ashington County )	
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8. C. ROUSE to me know	wa to be the person who executed the foregoing
etwament as Attorners in Fact in beha	
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Commission Expires:  My commission  President of SHRLE Comparation.	act and deed of said Cities Service Oil Company  Netary Public in and for  Midland County, Texas
Commission Expires:  My commission  President of SHRLE Commission.	of Cities Service Oil Company, and acknowled act and deed of said Cities Service Oil Company  Company  Notary Public  Hotary Public in and for



## OWNERSHIP PLAT SEAMAN UNIT

LEA CO., N.M.

SCALE: 1" = 2000"



UNIT OUTLINE

TRACT NUMBERS

EXHIBIT "A"

LING KWATES

SCHRONING THE PERCENTAGE AND KIND OF CHARRESHIP OF OUL AND GLS ECHIHITY "H"

LEA COUNTY, NEW MICCIOS

Tract

Description of Land

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	Sinclair Oil & Gas Company	Cities Service	Skelly oll	Cities Service	Gas Company	Shell Oil Company	Shell Oll Company	Working Interest	

# CERTIFICATE OF APPROVAL BY COUNTISIONER OF PUBLIC LANDS, STATE OF HER MEXICO OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF SHAMAN UNIT ARRA, LEA COUNTY, NEW MEXICO

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilisation of reservoir energy in said field;
- (b) That under the operations proposed, the State will receive its fair share of the receverable oil or gas in place under its land in the area affected;
- (c) That the Agreement is in other respects for the best interest of the State;
- (d) That the agreement prevides for the unit operation of the field, for the allocation of production, and the sharing of proceeds from a part of the area covered by the Agreement on an acreage basis as specified in the Agreement.

NOW THEREFORK, by virtue of the authority conferred upon me by the laws of the ftate of New Mexico, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the above referred to Seamen Unit Agreement as to the lands of the State of New Mexico counitted therete, and all oil and gas beases embracing lands of the State of New Mexico counitted to said Agreement shall be and the same are hereby amended so that the provisions thereof will conferm to the provisions of said Unit Agreement and so that the length of the secondary term of each such lease as to the lands within the unit area will be extended, insofar as necessary, to coincide with the term of said Unit Agreement, and in the event the term of said Unit Agreement shall be extended as provided therein such extension shall also be effective to extend the term of each oil and gas lease embracing lands of the State of New Mexico counitted to said Unit Agreement which would otherwise expire, so as to coincide with the extended term of such Unit Agreement.

		IN	BITMEES	DHEREOF,	this	certificate	of	approvel	is	executed	84
of	this	the		day of		: ر	19_	•			

Commissioner of Public Lands of the State of New Mexico



#### SINCLAIR OIL & GAS COMPANY

P. O. BOX 1479 C. C. M. C. MIDLAND. TEXAS TO U.S. MIDLAND. TEXAS

June 20, 1963

MIDLAND DIVISION

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Honorable E. S. Walker Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico Attn: Unit Division Re: Case No. 1023
Order No. R-780
Seaman Unit
Lea County,
New Mexico

#### Gentlemen:

In compliance with Section 3(b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area.

We have drilled and completed six unit wells on the Seaman Unit. All but one of these wells have now been committed to secondary recovery units. The Seaman Unit, Well No. 1, is not subject to any secondary recovery operations. This well has a daily average production of zero and a calendar day allowable of one barrel.

The Seaman Unit, Well No. 2, was plugged and abandoned on March 18, 1960, in the Queen formation. Seaman Unit, Wells Nos. 3, 4, and 5, were committed to the Kemmitz-Wolfcamp secondary recovery unit, effective June 1, 1961. Seaman Unit, Wells Nos. 6 and 7, were committed to the Hume Queen Unit effective May 1, 1963.

We trust the enclosed information complies with Section 3(b) of the above referred to Order of the New Mexico Oil Conservation Commission. If there is any additional information you desire, please advise.

Since all of the producing wells in the original Seaman Unit are now committed to secondary recovery units, and unit production is being reported by the waterflood operators, we are wondering if it is still necessary to continue to make these periodic reports as operator of the original Seaman Unit. We would appreciate your advice in this connection.

Very truly yours,

SINCLAIR OIL & GAS COMPANY

Division Exploration Supt.

JWJ:RIO:bjc cc: Cities Service Oil Company Skelly Oil Company Shell Oil Company

7023



#### SINCLAIR OIL & GAS COMPANY

P.O. BOX 1470

MIDLAND, TEXAS

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September 14, 1962

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Oil Conservation Commission State of New Mexico Santa Fo, New Mexico

Honorable E. S. Walker Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico Attn: Unit Division RE: Case No. 1023 Order No. R-780 Seamen Unit Lea County, New Mexico

#### Gentlemen:

In compliance with Section 3(b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area.

We have drilled and completed six unit wells on the Seaman Unit and there follows a tabulation of the daily average production from each of the wells and the allowable for each well for the month of August 1962.

	DAILY AVERAGE PRODUCTION	CALENDAR DAY ALLOWABLE
Seaman Unit Well #1	0 bbls.	1 bbl.
Seaman Unit Well #6	5 bbls.	7 bbls.
Seeman Unit Well #7	2 bbls.	6 bbls.

The Seaman Unit Well No. 2 was plugged and abandoned on March 18, 1960, in the Queen formation. Seaman Unit Wells Nos. 3, 4, and 5 have been committed to the Kemmitz-Wolfcamp Secondary Recovery Unit, which became effective on June 1, 1961, after approval by the Commissioner of Public Lands by Certificate of Approval dated May 16, 1961.

We trust the enclosed information complies with Section 3(b) of the above referred to Order of the New Mexico Oil Conservation Commission. If there is any additional information you desire, please advise.

Very truly yours,

SINCLAIR OIL & GAS COMPANY

J. W. Jackson

Division Exploration Supt.

RLO:gt cc: Cities Service Oil Company Skelly Oil Company Shell Oil Company



#### SINCLAIR OIL & GAS COMPANY

P.O. BOX 1470

MIDLAND, TEXAS

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September 15, 1961

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Honorable E. S. Johnny Walker Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico Attention: Unit Division

Re: Case No. 1023 Order No. R-780 Seaman Unit Lea County, New Mexico

#### Gentlemen:

In compliance with Section 3(b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area.

We have drilled and completed six unit wells on the Seaman Unit and there follows a tabulation of the daily average production from each of the wells and the allowable for each well for the month of August 1961.

#### DAILY AVERAGE PRODUCTION CALENDAR DAY ALLOWABLE

Seaman Unit Well #1	0 bbls.	32 bbls.
Seaman Unit Well #6	7 bbls.	7 bbls.
Seaman Unit Well #7	ll bbls.	ll bbls.

The Seaman Unit Well No. 2 was plugged and abandoned on March 18, 1960, in the Queen formation. Seaman Unit Wells Nos. 3, 4, and 5 have been committed to the Kemnitz-Wolfcamp Secondary Recovery Unit, which became effective on June 1, 1961, after approval by the Commissioner of Public Lands by Certificate of Approval dated May 16, 1961.

We trust the enclosed information complies with Section 3(b) of the above referred to Order of the New Mexico Oil Conservation Commission. If there is any additional information you desire, please advise.

Yours truly,

SINCLAIR OIL & GAS COMPANY

J. W. Jackson

JWJ:RLO:bjc cc: Cities Service Oil Company Skelly Oil Company Shell Oil Company



## SINCLAIR OIL & GAS COMPANY

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MIDLAND, TEXAS

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Om Fale

R. L. ELSTON VICE PRES & DIVISION MANAGER

O. G. SIMPSON

September 11, 1960

C S TINKLER OVISION EXPLORATION SUPT.

J. MEFFORD

DIVISION PRODUCTION SUPT.

F. C. ROGERS

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Honorable Murray Morgan Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico Attn: Unit Division RE: Case No. 1023 Order No. R-780

Seaman Unit

Lea County, New Mexico

Gentlemen:

In compliance with Section 3 (b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which Order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area:

We have drilled and completed six unit wells on the Seaman Unit and there follows a tabulation of the daily average production from each of the wells and the allowable for each well for the month of August 1960:

#### DAILY AVERAGE PRODUCTION CALENDAR DAY ALLOMABLE Shut-in 8-1-60 Seaman Unit Well #1 Held for Future Development Seaman Unit Well #3 45 bbls. 63 bbls. 110 bbls. Seaman Unit Well #4 110 bbls. Seaman Unit Well #5 163 bbls. 163 bbls. Seaman Unit Well #6 33 bbls. 33 bbls.

In our last progress report letter dated March 10, 1960, we advised that the Seaman Unit Well No. 2 had been plugged back to the Queen formation (4582') and we were attempting completion in the Queen formation. Please be advised our completion attempt was unsuccessful and this well was plugged and abandoned on March 18, 1960.

We trust the enclosed information complies with Section 3 (b) of the above referred to Order of the New Mexico Oil Conservation Commission. If there is any additional information you desire, please advise.

Yours truly,

SINCIAIR OIL A GAS COMPANY

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ELO:hn

cc: Cities Service Oil Company Skelly Oil Company Shell Oil Company C. S. Tinkler

## SINCHAMIR OUR & GIAS COMMEANY



P. O. Box 1470

September 10, 1959

C S TINKLER

SO&G Seaman Unit Well #5

H F. DEFENBAUGH

C ROGERS

PIVISION GAS & GAS PRODUCTS SUPT

G. D. ALMEN, JR.
V.CE PRES & LIVSION MANAGER

OIL CONSERVATION COMMISSION State of New Mexico Santa Fe, New Mexico

HONORABLE MURRAY MORGAN Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico ATTN: Unit Division Re: Case No. 1023 Order No. R-780 Seaman Unit Lea County, New Mexico

Gentlemen:

In compliance with Section 3(b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which Order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area:

We have drilled and completed five unit wells on the Seaman Unit and follows a tabulation of the daily average production from each of the wells and an allowable for each well for the month of August 1959:

DATLY AVERAGE PRODUCTION CALENDAR DAY ALLOWABLE

Seaman Unit Well #1 Seaman Unit Well #2	4 Shut in 6-1-59 held for	future development
Seaman Unit Well #3	68	72
Seaman Unit Well #4	154	<b>1</b> 54
Seeman Unit Well #5	193	193

No further development has occurred since the date of the last progress report dated March 9, 1959. We trust the enclosed information complies with Section 3(b) of the above referred to Order of the New Mexico Oil Conservation Commission. If there is any additional information you desire, please advise.

Yours truly,

SINCLAIR OII, & GAS COMPANY

C. S. Tinkler

G. B. Hallman, Alternate Division Exploration Supt.

RLO: jec cc: CITIES SERVICE OIL COMPANY SKELLY OIL COMPANY SHELL OIL COMPANY

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SINCHAIR OH & GAS COMPANY

1953 SEP & PETROLEUM LIFE BUILDING

MANDALANID, THEKAS

G. D. ALMEN, JR.
VICE PRES & DIVISION MANAGER R.L. ELSTON
ASSISTANT DIVISION MANAGER

فسنشذرع

September 5, 1958

C. S. TINKLER H. F. DEFENBAUGH

F. C. ROGERS
DIVISION DAS & GAS PRODUCTS SUPT

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Honorable Murray Morgan Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico Attn: Unit Division

Re: Case No. 1023 Order No. R-780 Seaman Unit Lea County, New Mexico SO&G Seaman Unit Well No. 5

#### Gentlemen:

In compliance with Section 3(b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which Order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area:

WELL DESIGNATION: Seaman Unit Well No. 5

LOCATION: 660 feet from the South line and 1980 feet from the East line of Section 24, T-16-S, R-33-E, N.M.P.M. Lea County, New Mexico

COMMENCEMENT DATE: December 26, 1957

COMPLETION DATE: March 20, 1958

RESULTS: The Seaman Unit Well No. 5 was completed as a producing well with a Calendar day allowable of 199 BOPD in the Wolfcamp formation, from perforations 10,766 feet through 10,780 feet. On potential tests this well flowed Wolfcamp 322 barrels of new oil, 40.5 gravity, no water in 24 hours; 21/64 inch choke; tubing pressure 350 pounds, casing sealed; gas/oil ratio 1,263/1. This well is still maintaining its allowable.

We trust the enclosed information complies with Section 3 (b) of the above referred to Order of the New Mexico Oil Conservation Commission, which Oil Conservation Commission

Page -2-

September 5, 1958

requires the Operator to file periodic reports covering subject Unit. If there is any additional information you desire, please advise.

Yours truly,

SINCLAIR OIL & GAS COMPANY

C. S. TINKLER

By: R. J. Osborn

RLO/jjp

cc: Cities Service Oil Company Cities Service Building Bartlesville, Oklahoma

Skelly Oil Company Skelly Building Tulsa, Oklahoma

Shell Oil Company Petroleum Life Building Midland, Texas

## SANCHOUR ONL & GAS COMPANY

1957 SEP 11 All 8:04

P. O. Box 1470 Midland, Texas

September 9, 1957

File 1623

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Honorable Murray Morgan Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico Attn: Unit Division

> Ret Case No. 1023 Order No. R-780 Sesman Unit SO&G Seaman Unit Well No. 4

#### Gentlemen:

In compliance with Section 3(b) of the Order of New Mexico Oil Conservation Commission approving the Seaman Unit, which order is dated March 29, 1956, the following information is furnished with respect to operations in the unit area:

Well Designation: Seaman Unit Well No. 4.

Location: 536.25 feet from the West line and 660 feet from the South line of Section 19, Township 16 South, Range 3h East, NMPM, Lea County, New Mexico.

Commencement date: June 21, 1957.

Completion date: August 26, 1957.

Results: The Seaman Unit Well No. 4 was completed as a producing oil well with a state allowable of 216 BOPD in the Kemnitz-Wolfcamp formations from perferations 10,656 through 10,682 feet.

We trust the enclosed information complies with Section 3(b) of the above referred to Order of New Mexico Oil Conservation Commission. Oil Conservation Commission

Honorable Murray Morgan

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Septemb r 9, 1957

which requires the operator to file periodic reports covering the subject unit. If there is any additional information you desire, please advise us.

Yours truly,

SINCLAIR OIL & GAS COMPANY

C. S. TINKLER

RLO:fr

cc: Cities Service Oil Company Bartlesville, Oklahoma

> Skelly Oil Company Skelly Building Tulsa, Oklahoma

Shell Oil Company Petroleum Building Midland, Texas

1.3.2°

In reply refer to: Unit Division December 4, 1956

Sinclair Oil and Gas Co. P. O. Box 1470 Midland, Texas

Attention: Mr. C. S. Tinkler

Re: (Sesman Unit Agreement)
Unit Well No. 1

#### Gentlemen:

We are in receipt of your report on your Seaman Unit Well No. 1, which you are in the process of recompleting as a single zone producer from the Pennsylvania Strawn section. Will you please furnish this office with a copy of your C-105 at such time as this is completed.

We wish to thank you for your cooperation in this matter.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

ESW:MMR/m

cc: OCC-Santa Fe
Mr. H. F. Defenbaugh
Sinclair Oil and Gas Co.-Midland

In reply refer to:
Unit Division

October 29, 1956

file

Sinclair Oil and Gas Company P. O. Box 1470 Midland, Texas

Re: (Seaman Unit )
No. 1 Unit Well

Gentlemen:

We are enclosing two copies of your seaman Unit Well No. 1 so as to determine the feasibility of dual completion.

This request was approved by the Commissioner of Public Lands October 29, may we have a further report from you concerning this well.

Very truly yours,

E. S. WALKER Commissioner of Public Lands

MMR/m enc: 2

cc: OCC-santa Fe

# MASANCHAMIR ONL & GAS COMPANY 2.5 AUS to All 9:03

P. O. Box 1470 Midland, Texas

August 21 - 1956

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Honorable E. S. Walker Commissioner of Public Lands State of New Mexico Santa Fe, New Mexico

File 1023

RE: Case No. 1023 Order No. R-780 Seaman Unit Seaman Unit

SE/4 Sec. 12, SE/4 & NE/4 Sec. 13

and SE/4 and NE/4 Sec. 24, T-16S,

R-33E, Lets 3, 4 and E/2 SW/4 Sec.

7, Lots 1, 2, 3, 4, E/2 NW/4 and

E/2 SW/4 Sec. 18 and Lets 1, 2, 3,

4, E/2 NW/4 and E/2 SW/4 Sec. 19,

T-16S. R-34E Lea County - New Mexico

### Gentlemen:

In compliance with Section 3 (b) of the Order of the New Mexico Oil Conservation Commission appreving the Seaman Unit which is dated March 29, 1956, the following information is furnished you with respect to the test well provided

Well Designation: Sinclair Oil & Gas Company Well #1 Seaman Unit

Location: 660 feet from the South and East lines of Section 13, T-16S, R-34E, Lea County, New Mexico

Date Actual Drilling Commenced: March 27, 1956

Proposed Depth: A depth sufficient to test the Devonian formation at

Oil Conservation Commission August 21, 1956 Page 2

Present Depth: The well was drilling at 13,890 feet in lime and chert as of August 21, 1956. It has had two favorable drill stem tests so fer as follows:

Drill Stem Test: 11,206'-281' Pennsylvanian lime, oil to the surface in 55 minutes, flowed 1 minute and was shut in (no flow rate taken) Reversed out 20 barrels oil and no water, flowing pressure 1300-2520#. Shut in pressure 3930#; estimated 56 feet of gross pay and 46 feet of net pay, 18% salt water, 9.8 average porosity.

Drill Stem Test: 12,675-700' Pennsylvanian (Atoka sand), gas to the surface in 22 minutes, gas volume estimated at 5,500,000 CFPD, recovered 240 feet water blanket plus 690 feet of distillate, flowing pressure 1690-2315#, 45 minute shut in pressure 6925#, Atoka sand 12,658'-12,684'

In addition to the above test we have also commenced the following:

Well Designation: Sinclair Oil & Gas Company Well #2 Seaman Unit

Location: 660 feet from the North and West lines of Section 19, T-16S, R-34E, Lea County, New Mexico

Date Well Actually Commenced: August 4, 1956

Proposed Depth: Test Devonian formation at approximately 14,750°. If the #1 Seaman Unit is unsuccessful in the Devonian then this well will be completed in the Pennsylvanian formation

Present Depth: This well was drilling at 4340 feet in anhydrite and lime as of August 21, 1956. We do not anticipate any favorable shows until we reach the Pennsylvanian formation

We believe the above data fully complies with Section 3 (b) of the Order of Oil Conservation Commission approving the Seaman Unit which is dated March 29, 1956. If there is any other information you desire, please advise.

Yours very truly,

SINCLAIR OIL & GAS COMPANY

By:

Richard C. Frawley

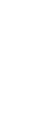
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## OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FC. NEW MEXICO

April 11, 1956



Mr. Layton Webb Sinclair Oil & Gas Co. Fair Building Fort Worth, Texas

Dear Sir:

by the Oil Conservation Commission in Case 1023, which was heard on March 1st at Hobbs, New Mexico.

Very truly yours,

ALP:brp Encls. A. L. Porter, Jr. Acting Secretary - Director

Cast # 1023
on 3/1/2
on 3/1/2

February 17, 1956

In reply refer to: Unit Division

Sinclair Oil and Gas Co. Fair Building Fort Worth, Texas

Re: Seaman Unit Sinclair Oil & Gas, Operator Lea County, N. Mex.

Attention: Mr. Layton A. Webb Attorney

Gentlemen:

We are enclosing one copy of application and two copies of the Seaman Unit Agreement, which were approved by the Commissioner of Public Lands February 17, 1956.

We are also enclosing Official Receipt in the amount of \$30.00, which covers the filing fee for the Seaman Unit.

Very truly yours,

E. S. WALKER Commissioner of Public Lands

MMR/m enc: 4

cc: OCC-Santa Fe

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## SINGLAIR OIL & GAS COMPANY

FAIR BUILDING

#### FORTWORTH, TEXAS

LEGAL DEPARTMENT

February 2, 1956

New Mexico Oil Conservation Commission Post Office Box 871 Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Re: Application of Sinclair Oil & Gas Company for the approval of the Seaman Unit, embracing 1522.05 acres, more or less, located in T-16-S, R-33-E, and T-16-S, R-34-E, N.M.P.M., Lea County, New Mexico.

Gentlemen:

Enclosed in triplicate is the proposed Unit Agreement for the Seaman Unit Area, Lea County, New Mexico, and application of Sinclair Oil & Gas Company for approval of said Unit Agreement.

You will note that we have requested that the hearing be held before an Examiner, and we will greatly appreciate your setting this application for hearing on the earliest possible date.

Very truly yours,

Cuyltur a. Welle

Layton A. Webb

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LAW:1p encls.

SANGLERROOML & GAS COMPANY

De for

ECOMEN 12 M 6-34 FAIR BUILDING

#### FORTWORTH, TEXAS

LEGAL DEPARTMENT

March 8, 1956

Oil Conservation Commission State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Re: Seaman Unit Lea County, New Mexico.

Gentlemen:

Enclosed is executed copy of adoption and ratification of the Seaman Unit by Mr. Earl G. Levick, et ux, which we agreed to furnish the Commission during the hearing on the application for approval of the Seaman Unit. The Unit Agreement has now been executed or ratified by all parties owning an interest in the Unit Area.

Very truly yours.

Layton A. Webb

Attorney

LAW:1p encls.

Seed in the state of

ADOPTION AND RATIFICATION OF UNIT AGREEVENT FOR SEAVAN UNIT, LEA COUNTY, MEN WEXICO

In consideration of the execution of the Unit Agreement for the development and operation of the Season Unit, Las County, New Mexice, by Sinclair Uil & Gas Company, as Unit Operator, and others, in form approved by the Commissioner of Public Land of the State of New Mexice, the undersigned owners of Lands or interests in lands or repulties or other interests in production severed by exid Unit Agreement hereby severally, each to the extent of his particular ownership or interest, account to the inclusion of said lands within the Unit Area thereix defined, approve and adopt the terms of said Unit Agreement as applicable to said several lands and interests, agree that the drilling and development requirements of all honous and other contracts in which their several rights and interests are executed or defined shall be decard fully performed by performers of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) all and of the prescade of gas duly made upon the basic of production allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefron, shall constitute full performance of all such chigations to the undersigned exception under such leases or other contracts.

existing under such leades or other centracte.		
·	Jame de Levick	
Date Jelming 24, 1952	Minne S. Lewick	
	Address	
	P.O. Box 1113	
	foowell n. m.	
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#### ACKNOWLEBOWERT FOR MATURAL PERSONS

For use in Arisone, Colorado, Idaho, Hontana, New Mexico, Utah, and Myoming

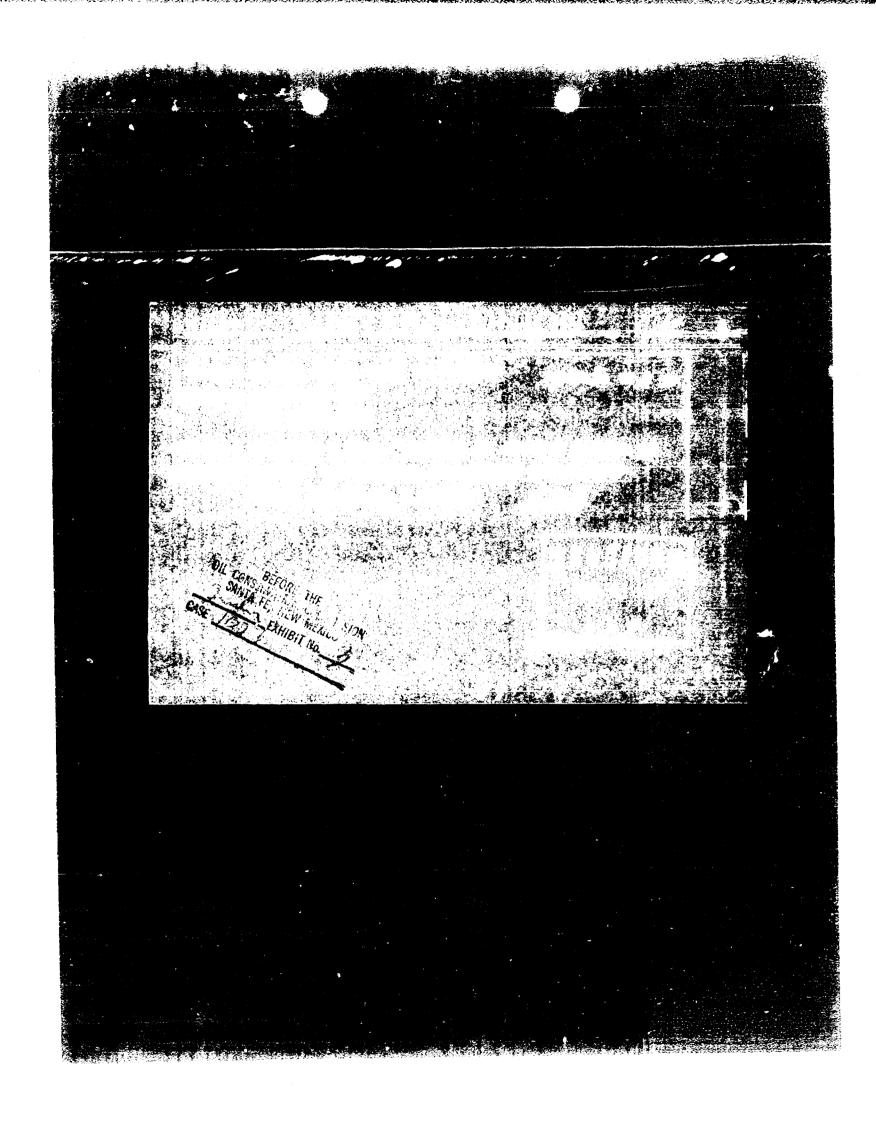
COUNTY OF NEW MERICO ) 85.	
COUNTY OF Chare	,
i, the undersigned Motory Pake day of Fefre, 19 /Z, personally a	lie, do hereby cortify that on the 24/3 and in person appeared the her wife-bus-
Earl 6, Levick and Minnie	remond, and personally known to so be
the person S described in and who ex	sected the foregoing instrument and whose
and J. de-ore subscribed there to	and acknowledged to so that free signed, see as fac'r free and voluntery act and
deed for the uses and purposes there!	a specified and set forth.
Given under ur hand and Water	tal seal this of the day of February,
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	procest Lee Horge
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COUNTY OF	
Y, the nectoral grand Watney Pub	lis, de hereby certify that on the
day of . 19 , persons	lly and in person appeared
All and the state of the state	ve instrument, and personally known to me
to be the person described in and	who executed the foregoing instrument and ereto and acknowledged to an that
whose ness is-are subscribed th	ere to and acknowledged to me that
set and deed for the uses and purpose	d the same as free and voluntary s therein specified and set forth.
CITED MESEL SA DEDG SEG MOTEL	
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19,	Notary Public, whose place of residence
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# WESTERN UNION . Topic

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RE: OVERRIDING ROYALTY INTEREST, SEAMAN UNIT, LEA COUNTY. AS OWNER OF OVERRIDING ROYALTY INTEREST UNDER SINCLAIR LEASE IN SEAMAN UNIT, LEA COUNTY, NEW MEXICO, I APPROVE THE CHANGE OF LOCITION FOR THE TEST WELL TO BE 660" FROM THE EAST AND 5107 FROM THE SOUTH LINES OF THE SECTIONS EARL G LEVICKE



1956 FEB 202 185 9 175

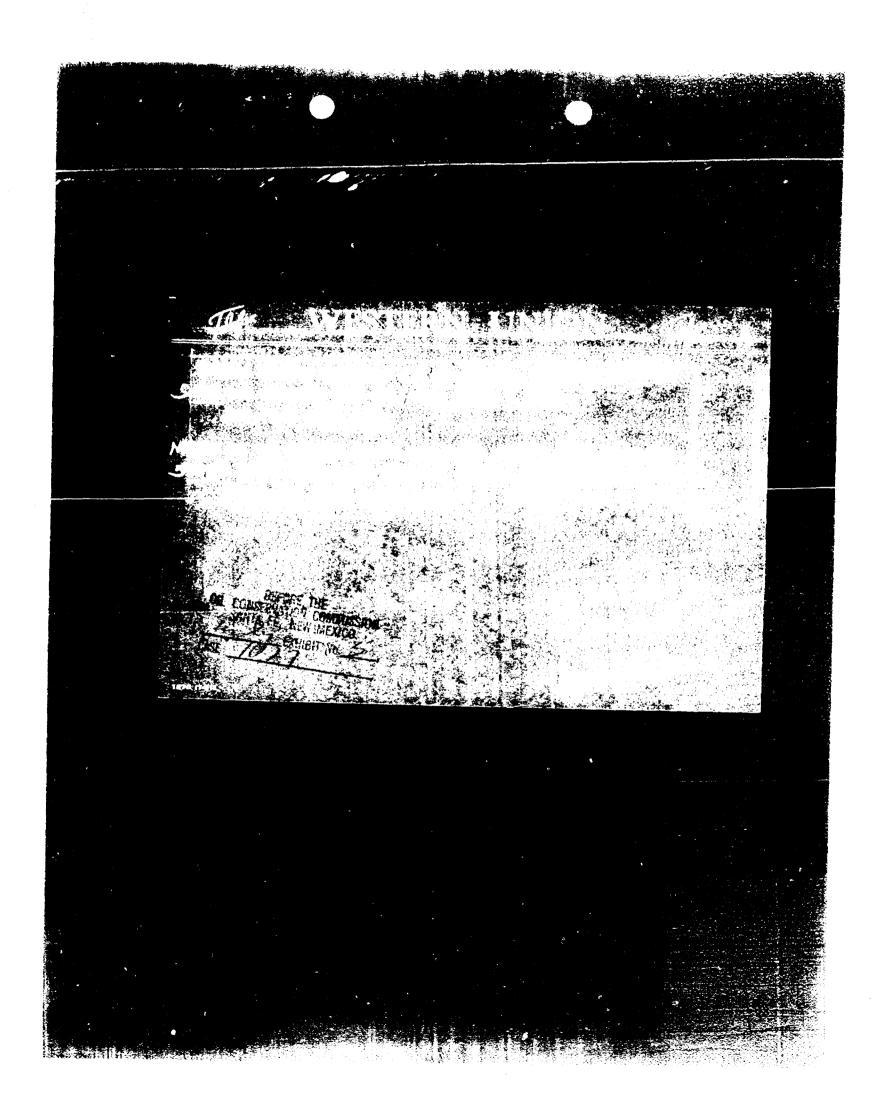
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RE- Stands unit, lea county, new medico agree to change by labeled to one of each and the feet from south Line 13-168-138,

Approvale Contract

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# OIL CONSERVATION COMMISSION Hobbs, New Mexico March 1, 1956

IN THE MATTER OF:

Case No. 1023

TRANSCRIPT OF PROCEEDINGS

## DEFORE THE OIL CONSERVATION COMMISSION March 1, 1956 Hobbs, New Mexico

Application of Sinclair Oil and Gas
Company for an order granting approval
of the proposed Seaman Unit Agreement
consisting of 1522.05 acres of land, more
or less, in Lea County, New Mexico.

Applicant, in the above-styled cause, seeks an order granting approval of the proposed Seaman Unit Agreement embracing 1522.05 acres of land, more or less, in Lea County, New Mexico, consisting of the following described acreage:

Township 16 South, Range 33 East
SE/4 Section 12
SE/4 & NE/4 Section 13
SE/4 & NE/4 Section 24

Township 16 South, Range 34 East
Lote 3 & 4, E/2 SW/4 Section 7
Lots 1, 2, 3, & 4, E/2 NW/4 &
E/2 SW/4 Section 18
Lots 1, 2, 3, & 4, E/2 NW/4, &
E/2 SW/4 Section 19

Case No. 1023

#### BEFORE:

Warren W. Mankin, Examiner

#### TRANSCRIPT OF HEARING

EXAMINER MANKIN: The next case is Case 1023, the application of Sinclair Cil and Gas Company, for an order granting approval of the proposed Seaman Unit Agreement in Lea County, New Mexico.

MR. WEBB: Mr. Examiner, I am Layton Webb of Fort Worth. I would like to make a brief statement for the record. I have one witness, Mr. Larry Seaman,

our Division Geophysicist, to have sworn in. The proposed Seaman Unit contains 1522.05 acres located in Township 16 South, Range 34 East. It is all state land. There are four leasehold owners, namely cinclair who is the unit operator under the agreement, and Cities Service Oil Company, Skelly Oil Company, and Shell Oil Company. The unit agreement has now been completely signed including the over-riding royalty owner who is Mr. Earl Levick of Roswell and he has drawn his signature up and the unit agreement has been approved by the Commissioner of Public Lands, State of New Mexico, on February 19, 1956. I might state that this unit agreement follows in substance the form of agreements which the Commission has approved before. As I said, I have one witness, Mr. Seaman.

#### LARRY SEAMAN

Called as a witness, having first been duly sworn, testified as follows:

#### DIRECT EXAMINATION

#### By MR. WEBB:

Q. One further statement that I would like to make is that the over-riding royalty owner is under Sinclair's---one of Sinclair's leases and I do not at this time have an executed copy of the consent but if they care for an executed copy, I will furnish the Commission with it just as soon as we can.

State your name please:

- A. L. O. Seaman
- Q. Where do you live Mr. Seaman?
- A. Fort Worth.
- Q. And by whom are you employed?
- A. Sinclair Oil and Gas Company
- Q. And in what capacity are you employed?

- A. Division Geophysicist.
- Q. In your position as Division Geophysicist in the Fort Worth office do you have charge of geophysical exploration in New Mexico?
  - A. Right.
  - Q. And thats all of the State of New Mexico, is that right sir?
  - A. No, not the West half.
  - Q. Of Lea County, New Mexico?
  - A. Yes.
  - Q. Have you ever testified before this Commission?
  - A No.
- Q. If you will state briefly your education and experience and background for the Commission, please.
- A. I graduated from Oklahoma University in 1925. I worked for Shell Oil

  Company before going to work for Sinclair, I have worked for Sinclair for 29 years.
- Q. And your work with Sinclair has been with geophysical exploration primarily, is that correct?
- A. Primarily, since geophysical work started and exclusively since geophysical work started in the United States.
- Q. Mr. Seaman, you are familiar with the area covered by the proposed Seaman Unit, are you not?
  - A. Iam.
  - Q. It covers land out of Township 16, Ranges 33 East and 34 East?
  - A. Thats right.
- Q. Have you had occasion to --- may I ask you this question. Have you or has there been accomplished under your supervision a geophysical survey of this area?

- Q. And by whom was that geophysical survey made? A. Yes.
- A. A contract company, M.Y. Geophysical Company.
- Q. And approximately what date was this done?
- A. I would say the middle of 1954.
- Q. And what method of geophysical survey was----
- Q. Would you briefly explain to the Examiner and to the Commission the A. Reflection seismograph.
- exact type of survey that was conducted in this area? A. Roughly, this area has an elevation of about 4150. Our detailed seismic work, the density of control was approximately around every section. We drilled--our average shot hole depth was around 240 feet. Our average powder charge was from 50 to 75 feet. The spread length on our geophone was 1760 feet on each side of the shot point. We used 24 place SIE equipment at 18 geophones per trace. That
  - Q. Was the result of this geophysical survey positive or negative? In other covers the mechanical details.
  - A. Yes. We had apparently good records in this area -- not the best, but words, were you able to get a picture?
  - Q. And the results of that survey-have you taken the results and interpreted fairly good. them and placed them on a seismic reflection contour map?
    - Q. And, I hand you what has been marked applicant's Exhibit No. 2 and ask A. Yes.
    - A. This is a contoured reflection seismograph map and it is contoured in time. you what this instrument is? The time element there, if you will notice on the top of the contour is 1.680, thats

one second and 680 shousands of a record. That is the time that it took the seismic wave to go from the surface down to the top of the Devonian and back to the surface.

- Q. Excuse me. This map was made by you or under your supervision, is that correct?
- A. Yes. The contour interval there converted to feet or time, in other words, converted to feet on what you would call a section of this map is 75 feet plus or minus. We determined that from knowing the velocities of the seismic waves in this area. The picture as a whole has approximately 250 feet plus or minus closure, the interpretation was with the fault on the east side and the structure being on the downthrow side of this fault and a portion of the closure being controlled by that normal downthrow fault.
- Q. Mr. Seaman, your interpretation of this seismic reflection survey which you have placed on the ownership plat for the unit area, the unit area outline is shown in green there, would you say that the unit area does or does not embrace substantially all of what you consider the Devonian geological feature to be in this particular area?
- A. Yes, in our experience with the geophysical structures in New Mexico, I would say that we feel like we have every well covered what would be Devonian production, if we get Devonian production.
- Q. And do you feel that the size of the Devonian structure as you interpret there, that a unit operation such as we have proposed here would be beneficial in the industry and would prevent waste and promote the best ultimate recovery of oil and gas?

A. Yes.

MR. MONTGOMERY: Mr. Seaman, does the unit provide for expansion or the reduction in the size of the unit?

MR. MONTGOMERY: And I didn't understand for sure if you said that this A. Yes.

A. Yes, plus minus 75 feet as near as we can tell from our velocity was correct to plus or minus 75 feet. central in this part of Lea County.

MR. MONTGOMERY: Did you state how many feet of closure you had?

A. I would say 250 plus or minus.

MR. MONTGOMERY: Thats all I have.

MR. MANKIN: Any other questions of the witness?

MR. WEBB: For the purpose of the record I would like to introduce applicant's Exhibit 1 and 2, Exhibit 1 being the executed unit agreement and Exhibit 2 being the ownership plat showing the unit area outlined in green on which has been superimposed

MR. MANKIN: I have one question, I don't know whether Mr. Seamen can a reflection contour map. answer it or you can answer it. The segregation clause has that been provided in this--

A. Yes, sir. The segregation clause has been provided, I believe, by the usual form. I will state what it is. It is a complete segregation with the provise that a drilling well with --- on land embraced within the lease, whether within or without the area will hold the entire lease. Otherwise it is completely segregated.

MR. MANKIN: So that particular segregation clause was --- has been approved by the Commissioner of Public Lands which ordinarily requests such a-----

MR. WEBB: Yes, it is the clause which the Commissioner requires.

MR. MANKIN: And he has approved it as such?

MR. WEBB: On February 19th, I believe.

MR. MANKIN: Are there any further questions of the witness?

MR. WEBB: The original location as shown in the unit agreement is shown to be 660 feet from-----

MR. SEAMAN: From the South and East lines of Section 13, 16 South, 33 East.

MR. WEBB: Alright fine, Thank you.

MR. MANKIN: Is that a change from the original?

MR. WEBB: That was the original location and upon survey it was determined that that fell 3 feet off of state highway right of way. Is that not correct, Mr. Seaman? And it was changed and I am advised with the consent of the local office of the Commission. I don't know that for sure, but I was advised------to 580 from the South----

MR. SEAMAN: I understood 550 -----

MR. WEBB: 550 from the South and 660 from the East.

MR. MANKIN: It was changed 110 feet to conform with-----

MR, WEBB: Yes.

MR. GURLEY: That was part of the unit agreement, was it. Well did the agreement state where the well was to be------

MR. WEBB: Yes, sir. And perhaps I had better introduce photostatic copies of the wires from the various non-operators agreeing to the change in location.

MR. GURLEY: You received permission from all of them did you to that effect?

MR. WEBB: Yes, including the over-riders and all.

MR. MANKIN: I have one other question. What is the --- I am sure that the application and agreement states the depth of the well, but for the matter of the

record here what was the proposed depth to properly test the Devonian?

MR. WEBB: Its for fluid, or essentially it is for fluid in the Devonian not to exceed-----

MR. SEAMAN: 14.5 or 15----

MR. WEBB: I will check---its to a depth sufficient to test fully the Devonian formation or to 14,750 feet which ever is the lesser depth.

MR. MANKIN: Airight sir. Is there any further question of the witness?

I believe you previously entered Exhibits 1 through----

MR. WEBB: Six.

MR. MANKIN: Did you ask that the last Exhibit be entered?

MR. WEBB: Yes, I would like for the purpose of the record to enter Exhibits three through six.

MR. MANKIN: In There objection to the entering of Exhibits 3 through 6?

I am not sure if we entered one and two, but if we didn't, is there objection to that?

If not Exhibts 1 through 6 will be so entered. Is there further question of the witness?

If not, the witness may be excused and we will take the case under advisement.

STATE OF NE	W MEXICO )	
	)	
COUNTY OF SA	ANTA FE	

I, Joan Hadley, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Hobbs, New Mexico, is a true and correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 21st. day of March, 1956

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#### BEFORE THE CIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1023 Order No. R-780

THE APPLICATION OF SINCLAIR OIL AND GAS COMPANY FOR THE APPROVAL OF THE SEAMAN UNIT AGREEMENT, EMBRACING 1,522.05 ACRES, MORE OR LESS, LOCATED IN TOWNSHIP 16 SOUTH, RANGE 33 EAST AND TOWNSHIP 16 SOUTH, RANGE 34 EAST, NUPM, LEA COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on March 1, 1956, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 29th day of March 1956, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application, the swidence presented, and the recommendations of the Manminer, Warren W. Mankin, and being fully advised in the premises,

#### FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

#### IT IS THEREFORE ORDERED:

Section 1. That this order shall be known as the

#### SEAMAN UNIT AGREEMENT ORDER

Section 2. (a) That the project herein referred to shall be known as the Seaman Unit Agreement and shall hereafter be referred to as the "Project".

(b) That the plan by which the project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Seaman Unit Area, referred to in the petitioner's petition and filed with said petition, and such plan shall be known as the Seaman Unit Agreement Plan.

Section 3. (a) That the Seaman Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing in any manner, any right, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Seaman Unit Agreement, or relative to the production of oil or gas therefrom.

(b) That the unit operator periodically shall file with the Commission a Seaman Unit Statement of Progress summarizing operations for the exploration and development of any lands committed to said Seaman Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six months during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the Seaman Unit Area.

Section 4. That the Unit Area shall be:

#### NEW MEXICO PRINCIPAL MERIDIAN

TOWESHIP 16 SOUTH, RANGE 33 EAST SE/4 Section 12 SE/4 and NE/4 Section 13 SE/4 and NE/4 Section 24

TOWNSHIP 16 SOUTH, RANGE 34 EAST Lots 3 and 4 and E/2 SW/4 Section 7 Lots 1, 2, 3, and 4, E/2 NW/4, and E/2 SW/4 Section 18 Lots 1, 2, 3, and 4, E/2 NW/4, and E/2 SW/4 Section 19

containing 1,522.05 acres, more or less.

Section 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Seaman Unit Agreement within 30 days after the effective date thereof.

Section 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof, may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart of ratification.

-3-Order No. R-780

Section 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto upon the terminative of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

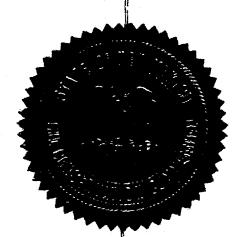
STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W & macey

W. B. MACEY, Member and Secretary



Rough draft DSN/ir March 21

### BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 1023 Order No. R- 780

THE APPLICATION OF SINCLAIR
OIL AND GAS COMPANY FOR THE
APPROVAL OF THE SEAMAN UNIT
AGREEMENT, EMBRACING 1,522.05
ACRES, MORE OR LESS, LOCATED
IN TOWNSHIP 16 SOUTH, RANGE
33 EAST AND TOWNSHIP 16 SOUTH,
RANGE 34 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

#### ORDER OF THE COMMISSION

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NOW, on this day of MARC 1956, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application, the evidence presented, and the recommendations of the examiner, Warren W. Mankin, and being fully advised in the premises,

#### FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the proposed unit plan will in principle, tend to promote the conservation of oil and gas and the prevention of waste.

#### IT IS THEREFORE ORDERED:

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#### SEAMAN UNIT AGREEMENT ORDER

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Case No. 1023

(b) That the plan by which the project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Seaman Unit Area, referred to in the petitioner's petition and filed with said petition, and such plan shall be known as the Seaman Unit Agreement Plan.

Section 3. (a) That the Seaman Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing in any manner, any right, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Seaman Unit Agreement, or relative to the production of oil or gas therefrom.

shall file with the Commission, a Seaman Unit Statement of Progress, summarizing operations for the exploration and development of any lands committed to said Seaman Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six months during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the Seaman Unit Area.

Section 4. That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 16 SOUTH, RANGE 33 EAST SE/4 Section 12 SE/4 and NE/4 Section 13 SE/4 and NE/4 Section 24

TOWNSHIP 16 SOUTH, RANGE 33 EAST
Lots 3 and 4 and E/2 SW/4 Section 7
Lots 1, 2, 3, and 4, E/2 NW/4, and E/2 SW/4 Section 18
Lots 1, 2, 3, and 4, E/2 NW/4, and E/2 SW/4 Sec. 19

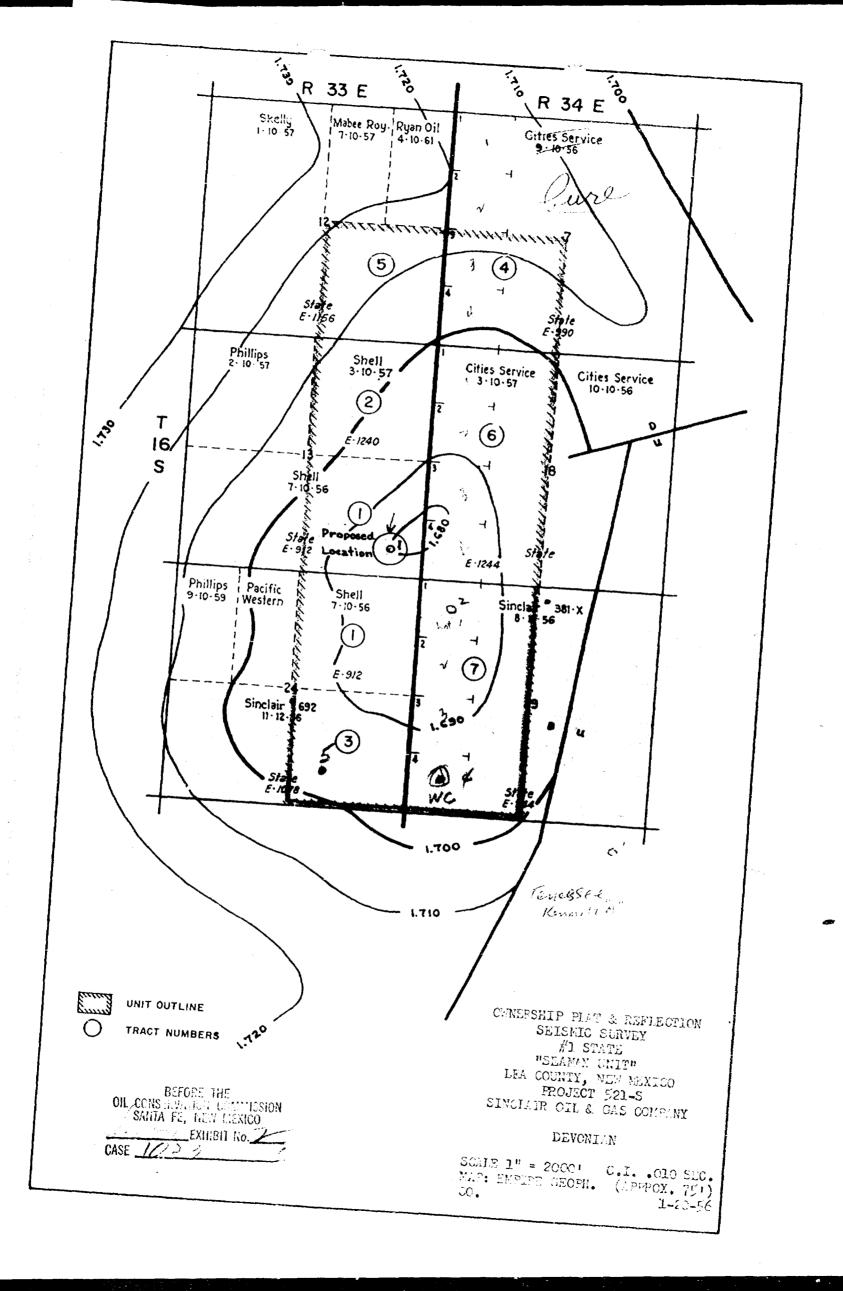
Case No. 1023

Section 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Seaman Unit Agreement within 30 days after the effective date thereof.

Section 6. That any party owning rights in the unitized commit NoT Commit NoT Commit Substances who does permit such rights to said unit agreement for the effective date thereof, may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission, within 30 days and original of any such counterpart or ratification.

Section 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission, in writing of such termination.

DONE etc.



### BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR THE APPROVAL OF T.E SEAMAN UNIT, EMBRACING 1522.05 ACRES, MORE OR LESS, LOCATED IN TOWNSHIP 16 SOUTH, RANGE 33 EAST, AND TOWNSHIP 16 SOUTH, RANGE 34 EAST, N. M. P. M., LEA COUNTY, NEW MEXICO.

CASE NO. 100

#### APPLICATION

NOW COMES Sinclair Oil & Gas Company, a Maine corporation with offices at Fort Worth, Texas, and files herewith three (3) copies of a proposed Unit Agreement for the development and operation of the Seaman Unit Area, Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by law, and in support thereof shows:

1.

That the proposed Unit Area covered by said Unit Agreement embraces 1522.05 acres, more or less, situated in Lea County, New Mexico and more particularly described as follows:

#### NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 16 S., R. 33 E.

Sec. 12:  $SE_{\frac{7}{4}}^{\frac{1}{4}}$  Sec. 13:  $SE_{\frac{7}{4}}^{\frac{1}{4}}$  NE $_{\frac{7}{4}}^{\frac{1}{4}}$  Sec. 24:  $SE_{\frac{7}{4}}^{\frac{1}{4}}$  NE $_{\frac{7}{4}}^{\frac{1}{4}}$ 

#### T. 16 S., R. 34 E.

Sec. 7, Lots 3 and 4,  $E_{2}^{1}SW_{4}^{1}$ Sec. 18, Lots 1, 2, 3 and 4,  $E_{2}^{1}NW_{4}^{1}$ ,  $E_{2}^{1}SW_{4}^{1}$ Sec. 19, Lots 1, 2, 3 and 4,  $E_{2}^{1}NW_{4}^{1}$ ,  $E_{3}^{1}SW_{4}^{1}$ 

2.

That all of the lands embraced within the proposed Unit Area are State lands.

3.

That applicant is informed and believes, and upon such information and belief states that the Unit Area embraces substantially all of

the geological feature involved, and that in the event of the discovery of oil or gas thereon, the Unit Agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of oil and gas.

14.

That applicant, Sinclair Oil & Gas Company, is designated as Unit Operator of the Unit 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 the production of oil and/or gas, subject to all applicable laws and regulations. That said Unit Agreement provides for the commencement of a test well for oil and/or gas within sixty (60) days after the effective date of said Unit Agreement, and for the drilling thereof with due diligence to a depth sufficient to test fully the Devonian Formation, or to such lesser depth as unitized substances shall be discovered in paying quantities; provided, however, that Unit Operator is not required in any event to drill said well to a depth in excess of 14,750 feet.

5.

That the development and operation of the Unit Area will be conducted in accordance with a plan of development and operation having the approval of the Commissioner of Public Lands for the State of New Mexico; that under said Unit Agreement the State of New Mexico will receive its fair share of the oil and gas; and that said Unit Agreement in all respects tends to prevent waste and promote conservation of oil and gas.

6.

That the names and addresses of all the working interest owners other than Sinclair Oil & Gas Company are as follows:

Skelly Oil Company Skelly Building Tulsa, Oklahoma

Cities Service Oil Company Bartlesville, Oklahoma

Shell Oil Company Petroleum Building Midland, Texas That all of the working interest owners, except Cities Service Oil Company, have already executed the Unit Agreement; that the execution of same by Cities Service Oil Company is expected shortly. That efforts are continuing to obtain commitment to the Unit Agreement of ell other interests in the Unit Area.

8.

That application is being made for the approval of said Unit

Agreement by the Commissioner of Public Lands of the State of New Mexico.

9.

That within ten (10) days from the effective date of the Unit Agreement, an executed copy of said Unit Agreement will be filed with the Commission.

WHEREFORE, applicant, Sinclair Oil & Gas Company, prays that this Commission set this application for a public hearing before an Examiner, that notices be issued according to law, and that upon said hearing, said Unit Agreement be approved by this Commission.

NAT. J. HARBEN
LAYTON A. WEBB

901 Fair Building Fort Worth, Texas

ATTORNEYS FOR APPLICANT, SINCLAIR OIL & GAS COMPANY.