

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

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

CASE NO. 794

THE APPLICATION OF SUNRAY OIL
CORPORATION FOR APPROVAL OF THE
EAST BAGLEY UNIT AGREEMENT
EMBRACING 1,230 ACRES, MORE OR
LESS, LEA COUNTY, NEW MEXICO,
WITHIN TOWNSHIP 12 S., RANGE 34 E.,
N.M.P.M.

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, the Sunray Oil Corporation, with offices at Tulsa, Oklahoma, and files herewith three copies of the proposed Unit Agreement for the Development and Operation of the East Bagley 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 agreement embraces 1,230 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 12 S., R. 34 E.

Sec. 4: $S\frac{1}{2}$
Sec. 8: $E\frac{1}{2}$
Sec. 9: All

2. That the lands embraced within the proposed unit area are all State lands.

3. That applicant is informed and believes, and upon such information and belief, states: That the proposed unit area covers a substantial part of all of the geological features involved, and in the event of the discovery of oil or gas thereon, that said unit agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That the Sunray Oil Corporation is designated as unit operator in said 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 oil and gas, subject to all applicable laws and regulations. That said unit agreement provides for the commencement of a test well for oil and gas upon some part of the lands embraced in the unit area within 60 days from the effective date of said unit agreement and for the drilling thereof with due diligence, to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities if at a lesser depth; provided, however, operator is not required in any event to drill said well to a depth in excess of 13,500 feet.

5. That said unit agreement is in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and by the New Mexico Oil Conservation Commission, and it is believed that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said agreement, to the end that the maximum recovery will be obtained, and that said unit agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

6. That application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement and after approval thereof by the Commissioner of Public Lands of the State of New Mexico, an approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said unit agreement and that upon said hearing, said unit agreement be approved by the New Mexico Oil Conservation Commission as being in the interest

of conservation and prevention of waste.

DATED this the _____ day of _____, 1954.

Respectfully submitted,

SUNRAY OIL CORPORATION

By

D. W. Livingston
Authorized Signature



EXHIBIT "B"
 EAST BAGLEY UNIT AREA
 LEA COUNTY, NEW MEXICO
 TOWNSHIP 12 SOUTH, RANGE 34 EAST

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS
 INTERESTS IN ALL LANDS IN THE UNIT AREA

Tract No.	Description of Land	No. of Acres	Lease No. and Expiration Date of Lease	Basic Royalty & Percentage	Payments out of Production and Overriding Royalty and Percentage	Working Interest Owner
<u>All in T. 12S., R. 34E.</u>						
1.	Sec. 4: SW 1/4	160	E-1233 3-10-57	State of New Mexico All	None	Phillips Petroleum Company
2.	Sec. 4: SE 1/4	160	E-249 4-10-55	State of New Mexico All	None	Gulf Oil Corporation (subject to contract with Sunray Oil Corp. and Seaboard Oil Co.)
3.	Sec. 9: N-1/2 NE-1/4	80	E-7553 11-17-63	State of New Mexico All	Ralph Nix and wife, Frances Nix 1/16 of 7/8	Sunray Oil Corporation and Seaboard Oil Company (S-26000)
4.	Sec. 9: N-1/2 NW-1/4 Sec. 8: NW-1/4 SE-1/4	120	E-2792 7-11-59	State of New Mexico All	Caswell S. Neal and wife, Eva F. Neal \$250.00 per acre out of 1/16 of 7/8	Sunray Oil Corporation and Seaboard Oil Company (S-25998)
5.	Sec. 9: S-1/2 NW-1/4	80	F-250 4-10-55	State of New Mexico All	None	Gulf Oil Corporation (subject to contract with Sunray Oil Corp. and Seaboard Oil Co.)
6.	Sec. 9: SW-1/4 NE-1/4	40	E-1234 3-10-57	State of New Mexico All	Magdalene Pearl Childers 5/8 of 1/8 of 7/8 Billy Bert Childers 3/8 of 1/8 of 7/8	Sunray Oil Corporation and Seaboard Oil Company (S-35987)
7.	Sec. 9: SE-1/4 NE-1/4	40	E-1234 3-10-57	State of New Mexico All	Ralph Lowe & M. & M. Production Company \$150.00 per acre out of 1/16 of 8/8	Humble Oil & Refining Company

8.	Sec. 9: SE-1/4	160	E-7244 7-21-63	State of New Mexico All	None	Tidewater Associated Oil Company
9	Sec. 9: SW-1/4	160	E-3502 5-10-60	State of New Mexico All	None	Magnolia Petroleum Company
10.	Sec. 8: S-1/2 SE-1/4 NE-1/4 SE-1/4	120	E-8332 7-20-64	State of New Mexico All	None	Sunray Oil Corporation and Seaboard Oil Company (S-259)
11.	Sec. 8: NE-1/4	160	E-3055 11-10-59	State of New Mexico All	None	Warren Petroleum Company

11 STATE TRACTS, CONTAINING 1,280 ACRES OR 100% of UNIT AREA
