

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR
APPROVAL OF THE KEEL DEEP UNIT AGREE-
MENT EMBRACING 6,155.45 ACRES, MORE
OR LESS, LOCATED IN TOWNSHIP 17 SOUTH,
RANGE 31 EAST, N. M. P. M.,
EDDY COUNTY, NEW MEXICO.

CASE NO. 27210

ORDER NO. _____

A P P L I C A T I O N

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby files application for approval of the "Unit Agreement for the Development and Operation of the Keel Deep Unit Area, Eddy County, New Mexico," and in support thereof shows:

1.

That applicant files as a part hereof three copies of said unit agreement, which embraces the following described land as constituting the unit area:

New Mexico Principal Meridian, New Mexico

Township 17 South, Range 31 East

Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 10: All
Section 16: $N\frac{1}{2}$ & $SE\frac{1}{4}$
Section 17: $N\frac{1}{2}$
Section 18: $N\frac{1}{2}$

situated in Eddy County, New Mexico, and
containing 6,155.45 acres.

Said lands have been designated by the Director of the United States Geological Survey as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act. The area consists of 5,675.45 acres of federal lands and 480 acres of state lands, which is, respectively, 92.2% and 7.8% of the unit area. A map of the unit area is attached as Exhibit A to the unit agreement.

2.

That the substances unitized in the agreement are all oil and gas in the hereinabove specified lands as to all formations below the top of the Glorieta sand of upper Leonard age, and for the purposes of the agreement the Glorieta sandstone is construed to mean the sandstone the top of which is found at a depth of 4,857 feet in the Skelly No. 6 Lynch "A" well located 660 feet from the north and west lines of Section 22, Township 17 South, Range 31 East, N.M.P.M., as shown by the Schlumberger electric log of said well.

3.

That the unit area embraces all of the geological feature reasonably expected to be productive of unitized substances and, therefore, operation and development of the area as a unit will contribute to orderly development and will be in the interest of conservation.

4.

The applicant, Sinclair Oil & Gas Company, is designated as Unit Operator and is required within six months after the effective date of the unit agreement to commence a well and thereafter drill same to a total depth of 13,700 feet or such lesser depth as will test the Devonian formation, unless unitized substances are discovered in paying quantities at a lesser depth. The unit operator is required to continue drilling diligently one well at a time with not more than six months between the completion of one well and the commencement of another well until the discovery of a deposit of unitized substances capable of being produced in paying quantities, and after discovery the unit operator is required to submit for the approval of the Supervisor of the United States Geological Survey and the Commissioner of Public Lands an acceptable plan of development and operation which, when approved, constitutes the further drilling and operating obligations of the unit operator. Said 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.

5.

That attached hereto as Exhibit "A" and made a part hereof is a list of the names and addresses of all persons or parties having a working interest, royalty or overriding royalty interest in the unit area, which are all interested parties known to applicant.

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.

Applicant believes and therefore alleges that in the event oil or gas in paying quantities is discovered on lands within the unit area, the pool can be developed more economically and efficiently under the terms of said unit agreement to the end that the maximum recovery will be obtained, and that said agreement is in the interest of the conservation of oil and gas and the prevention of waste. Applicant would further show that the agreement is fair to all royalty owners.

WHEREFORE, applicant prays that this application be set for public hearing before an examiner in Santa Fe, New Mexico, that notice be issued hereon according to law, and that upon hearing said unit agreement be approved.

HORACE N. BURTON
P. O. Box 1470
Midland, Texas

GILBERT, WHITE AND GILBERT

By 
Bishop Building
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT
SINCLAIR OIL & GAS COMPANY

50-511

EXHIBIT "A"

NAMES AND ADDRESSES OF ALL INTERESTED PARTIES
KEEL DEEP UNIT AREA, EDDY COUNTY, NEW MEXICO

I. OWNERS OF WORKING INTEREST

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

Bert Aston
R. W. Fair
Fair Oil Company
P. O. Box 769
Roswell, New Mexico

Sunray Mid-Continent Oil Co.
P. O. Box 2039
Tulsa, Oklahoma

Humble Oil & Refining Co.
P. O. Box 1600
Midland, Texas

W. A. Yeager
J. M. Armstrong
Petroleum Life Building
Midland, Texas

C. T. McLaughlin
Diamond "M" Building
Snyder, Texas

Cosden Petroleum Corporation
P. O. Box 1311
Big Spring, Texas

Socony Mobil Oil Company
P. O. Box 633
Midland, Texas

Shell Oil Company
P. O. Box 1509
Midland, Texas

II. OWNERS OF ROYALTY INTEREST

United States of America
Attn: Mr. John Anderson
Oil and Gas Supervisor
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

III. OWNERS OF OVERRIDING ROYALTY AND SIMILAR INTERESTS

R. A. Shugart
P. O. Box 426
Artesia, New Mexico

Higgins Trust, Inc.
c/o Mary Lorena Higgins
Auburn, Georgia

Selma E. Andrews
c/o Trust Department
Albuquerque National Bank
Albuquerque, New Mexico

Albuquerque National Bank
Testamentary Trustee of
Frank A. Andrews, Deceased
P. O. Box 1344
Albuquerque, New Mexico

Lillie M. Adams
2502 Grape Street
Abilene, Texas

Eulalie May Stinebaugh
2458 Swanson Street
Abilene, Texas

Willie Ople Ham
Maryneal, Texas

J. Louis Keel, Jr.
408 Olive Street
Room 616
St. Louis 2, Missouri

Marian Keel Norton
700 North Pennsylvania
Roswell, New Mexico

Ruth Keel Joyce
P. O. Box 959
Roswell, New Mexico

Exhibit "A"

Sabine Royalty Corporation
1210 Mercantile Bank Bldg.
Dallas 1, Texas

William H. Eyssen, Jr.
707 West 13th Street
Big Spring, Texas

Catherine Kuehna
c/o Caroline Kuehna
3221 South Lake Drive
Milwaukee, Wisconsin

Pearl Carr
904 Bullock Cts.
Artesia, New Mexico

P. Kenneth Wiseman, Trustee
523 West 6th Street
Los Angeles 14, California

Dwight Whiting
617 National Oil Building
609 South Grand Avenue
Los Angeles 17, California

L. W. Wickes Agent Corp.
1206 Pacific Mutual Bldg.
Los Angeles 14, California

The Chase Manhattan Bank
18 Pine Street
New York 15, New York
Attn: Petroleum Dept., ARC

Donald Winston
Trustee under the Will of
Francisca S. Winston, Deceased
1511 Foshay Tower
Minneapolis 2, Minnesota

Mrs. C. A. Russell
1906 Niels Esperson Bldg.
Houston, Texas

Della West Decker
216 North Bailey
Fort Worth, Texas

Caroline Kuehna
3221 South Lake Drive
Milwaukee 7, Wisconsin

Ruby Mellard
802 El Prado Drive
San Antonio, Texas

Benedict Corporation
523 West 6th Street
Los Angeles 14, California

Robert B. Moran
170 E. Orange Grove Avenue
Pasadena 3, California

Cornelius G. Willis
417 South Hill Street
Los Angeles 13, California

Janet D. O'Neil and
Philip O'Neil, Trustees
633 North Sierra Drive
Beverly Hills, California

Marshall & Winston, Inc.
1054 Broxton Avenue
Los Angeles, California

Lucile Hancox
Executrix of the Estate of
T. Harold Hancox, Deceased
1210 Merchant Street
Artesia, New Mexico

H. R. Moldenhauer
Route #2, Box 335
Arkansas City, Kansas