

BEFORE THE OIL CONSERVATION
COMMISSION FOR THE STATE OF NEW MEXICO

In the Matter of the Application of
Stanolind Oil and Gas Company for the
approval of the Angels Peak Unit Area
embracing 29,802.17 acres of land in
Townships 27, 28 and 29 North, Range 10
West, and Townships 28 and 29 North,
Range 11 West, N.M.P.M., San Juan County,
New Mexico.

NO. _____

A P P L I C A T I O N

Application is hereby made by Stanolind Oil and Gas Company, a corporation, for the approval by the Oil Conservation Commission of the State of New Mexico of the Unit Agreement for the development and operation of the Angels Peak Unit Area in the County of San Juan, State of New Mexico, and entered into between the applicant herein, as unit operator, and certain working interest owners, and certain royalty owners, and such other working interest owners and royalty owners as may hereafter subscribe or consent to the Agreement.

1. The Angels Peak Unit Area embraces the following described lands, all located in San Juan County, New Mexico, to-wit:

- T. 27 N., R. 10 W., N.M.P.M.
- Sec. 1, Lots 3, 4 S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$;
- Secs. 2 to 6, inclusive;
- Sec. 7, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$;
- Secs. 8 to 11, inclusive;
- Sec. 12, W $\frac{1}{2}$;
- Sec. 13, W $\frac{1}{2}$;
- Secs. 14 to 17, inclusive;
- Sec. 18, E $\frac{1}{2}$;
- Secs. 20 to 23, inclusive;
- Sec. 24, W $\frac{1}{2}$;
- Sec. 25, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$;
- Sec. 26, N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$;
- Secs. 27 and 28

T. 28 N., R. 10 W., N.M.P.M.
Fractional Secs. 7, 8 and 9;
Sec. 15, SW $\frac{1}{4}$;
Secs. 16 to 22, inclusive;
Sec. 23, SW $\frac{1}{4}$;
Sec. 26 W $\frac{1}{2}$;
Secs. 27 to 35, inclusive.

T. 29 N., R. 10 W., N.M.P.M.
Sec. 29, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 30, S $\frac{1}{2}$;
Secs. 31 and 32.

T. 28 N., R. 11 W., N.M.P.M.
Sec. 12, Lot 1, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 13, E $\frac{1}{2}$ E $\frac{1}{2}$;
Sec. 24, E $\frac{1}{2}$ E $\frac{1}{2}$;
Sec. 25, E $\frac{1}{2}$ E $\frac{1}{2}$;
Sec. 36, E $\frac{1}{2}$ NE $\frac{1}{4}$.

T. 29 N., R. 11 W., N.M.P.M.
Sec. 25, SE $\frac{1}{4}$;
Sec. 36, all.

Total Unit Area embraces 29,802.17 acres, more or less.

Said area embraces a total of 29,802.17 acres, comprising 27,811.12 acres of land of the United States, 1,217.20 acres of land of the State of New Mexico, and 719.65 acres of privately owned land.

2. At the hearing hereinafter requested the requisite number of signed copies of the Unit Agreement will be submitted for approval, and it is requested that the same be returned to your applicant to the end that the said applicant may file the necessary counterparts with the Department of the Interior of the United States for the purpose of obtaining the final approval of the agreement by the Secretary of the Interior. After approval of the agreement by the Secretary of the Interior a complete and signed copy of the Unit Agreement will be filed in the office of the Commissioner of Public Lands. A signed copy of the Unit Agreement is filed herewith for temporary record, and at the hearing request will be made that this executed copy be returned and an unsigned copy be substituted pending the receipt of the signed copy approved by the Secretary of the Interior.

3. The form of Unit Agreement has been previously considered by the Commissioner of Public Lands, and has received his tentative approval. Geological evidence concerning the structure affected by this Unit Agreement will be submitted to the Commissioner of Public Lands and at the hearing hereafter requested.

4. With reference to the lands embraced in this Unit, there is attached to this application, as Exhibit A to the form of Unit Agreement, a map of the unit area on which is shown the ownership of the various lands embraced in the said unit, and there is also submitted herewith, as Exhibit B to the Unit Agreement, a schedule on which is shown the ownership of the oil and gas interests in all the lands embraced in said unit. Applicant is continuing efforts to obtain commitments to the Unit Agreement from those owners of interests who have not yet joined in this unitization, and a full showing of such commitments will be made at the time of the hearing hereinafter requested.

5. Within six months after the unit is made effective, the unit operator is obligated to commence drilling operations on the test well. Should commercial production be discovered, unitized operations will assure an orderly development program based on structural position and will enable production operations to be conducted in accordance with the best over-all reservoir practice. Development and operation will be conducted in accordance with the plans having the joint approval of State and Federal authorities.

6. Under this agreement the State of New Mexico will receive its fair share of the oil and gas which will be allocated to it on an acreage basis in any and all participating areas which may be

