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U. S. 43 approved unit  
May 14, 1954 and  
it was effective as  
of that date

Sand Hills Unit

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In reply refer to:  
Unit Division

653

June 7, 1960

C  
O  
P  
Y

Sinclair Oil and Gas Company  
Post Office Box 1470  
Midland, Texas

Re: Termination of Sand Hills Unit  
Agreement  
Lea County, New Mexico

Attention: Mr. C. S. Tinkler

Gentlemen:

Our records on the Sand Hills Unit reflects that production in paying quantities has not been obtained in the Unit Area during the original five year term of the unit, or during the one year extension which was granted.

Therefore, pursuant to Section 20 of the unit agreement, the Sand Hills Unit Agreement expired by its own terms as of May 12, 1960.

Very truly yours,  
MURRAY E. MORGAN  
Commissioner of Public Lands

BY:  
Ted Bilberry, Supervisor  
Oil and Gas Division

MEM/MER/s  
cc:

UBGS-Roswell  
OCC- Santa Fe



IN REPLY REFER TO:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
WASHINGTON 25, D. C.

MAY 25 1960

Sinclair Oil and Gas Company  
Post Office Box 809  
Roswell, New Mexico

Gentlemen:

The Sand Hills unit agreement (No. 14-08-001-1592), Lea County, New Mexico, was approved and effective May 13, 1954, for a term of five years. The term of the agreement subsequently was extended for one year.

Information from the Supervisor shows that production in paying quantities, as defined in the unit agreement, has not been obtained in the unit area, and that application for additional extension has not been filed. Therefore, pursuant to Section 20 of the agreement, the Sand Hills unit agreement expired by its own terms as of midnight May 12, 1960.

This letter will serve as official notification that the unit agreement is deemed to be so terminated. A copy of this letter is being sent to the Federal offices involved. It is assumed you will appropriately inform all other parties.

Very truly yours,

*Arthur A. Baker*

Acting Director

EMThomasson:ibm 5-20-60  
EMPilkinton:ffw 5-24-60

Copy to: Roswell 2  
BIM-Santa Fe  
Commissioner of Public Lands  
✓ New Mexico Oil Conservation Commission

# SINCLAIR OIL & GAS COMPANY

POST OFFICE BOX 1470

**MIDLAND, TEXAS**

May 5, 1960

R. L. ELSTON  
VICE PRES. & DIVISION MANAGER  
O. G. SIMPSON  
ASSISTANT DIVISION MANAGER

C. S. TINKLER  
DIVISION EXPLORATION SUPT.  
J. MEFFORD  
DIVISION PRODUCTION SUPT.  
F. C. ROGERS  
DIVISION GAS & GAS PRODUCTS SUPT.

United States Department of the Interior  
Bureau of Land Management  
P. O. Box 1251  
Santa Fe, New Mexico  
Attn: Douglas E. Henriques, Manager

*Case 653*

The Commissioner of Public Lands  
State of New Mexico  
P. O. Box 791  
Santa Fe, New Mexico  
Attn: Ted Bilberry, Supervisor, Oil & Gas Division

The Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico  
Attn: Unit Division

RE: Termination of Sand Hills Unit Agreement  
Lea County, New Mexico  
Twps. 25 & 26 South, Rges. 35 & 36 East

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Gentlemen:

Your records will reveal that Sinclair Oil & Gas Company is unit operator under the Sand Hills Unit Agreement, Lea County, New Mexico, Number 1408-001-1592 approved May 13, 1954.

This unit will terminate of its own terms on or about May 13, 1960, in the absence of unit production as defined in the agreement.

There have been nine wells drilled pursuant to the unit agreement, the last four wells having been drilled by Cities Service Oil Company as our agent. These last four wells are as follows:

Sand Hills Unit Well No. 6-A, located in the SE/4 of the SE/4 of Section 20-26S-36E, which was P&A on 10-25-59 at total depth of 3349 feet.

United States Dept. of the Interior  
May 5, 1960  
Page Two

Sand Hills Unit Well No. 7, located in the SW/4 of the SW/4 of Section 17-26S-36E, which was P&A on 12-14-59 at total depth of 3471 feet.

Sand Hills Unit Well No. 8-A, located in the SW/4 of the SW/4 of Section 8-26S-36E, which was P&A on 2-8-60 at total depth of 3348 feet.

Sand Hills Unit Well No. 9-A, located in the SW/4 of the SW/4 of Section 5-26S-36E. This well is presently testing on pump at plug back depth of 3316 feet.

For your information, we are attaching a list of the Federal leases located within this unit in which Sinclair owns an interest. We request that all Federal lease files be noted for extension pursuant to 43 CFR Sec. 192.123. If we have inadvertently omitted any Federal leases within the outline of the Sand Hills Unit Agreement in which Sinclair has an interest, please advise.

If it is desired that we submit a formal termination agreement, or if you desire any other information pertaining to the termination of this unit, please advise.

Yours truly,

SINCLAIR OIL & GAS COMPANY

*C. S. Tinkler*  
C. S. Tinkler

CST:RLO:gt  
Attachment

cc: Atlantic, Midland, Texas  
El Paso, Midland, Texas  
Cities Service, Midland, Texas  
Jal Oil Company, Inc., Midland, Texas  
Sun Oil Company, Dallas, Texas

FEDERAL LEASES IN SAND HILLS UNIT IN WHICH SINCLAIR OIL & GAS COMPANY  
HAS AN INTEREST

<u>FEDERAL LEASE NUMBER</u>	<u>SO&amp;G LEASE NUMBER</u>
NM 04343-A	447
NM 04973	541
LC 061127-A	448
LC 061127-B	646
LC 061127-C	882
LC 061127-D	881
LC 061142	460
LC 061142-A	883
LC 061162	459
LC 061162-A	884
LC 062036	453
LC 062060-A	456
LC 062132	455
LC 066096	454
LC 067153	463
LC 068891	461
LC 069025	462
LC 069025-A	885

In reply refer to:  
Unit Division

April 26, 1960

*Case #653*

C

Sinclair Oil & Gas Company  
Sinclair Oil Building  
Tulsa, Oklahoma

Re: Sand Hills Unit Agreement  
Lea County, New Mexico

P

Gentlemen:

We are inquiring as to your further intentions in regard to the Sand Hills Unit Agreement, which will expire under its own terms May 12, 1960.

Y

Our last report received on this unit was an intention to drill No. 7 Well, SW/4S 7/4, Section 17, Township 26-South, Range 36-East, filed in November, 1959, however, we presume this well was never drilled since we have not received further reports.

Very truly yours,  
MURRAY E. MORGAN  
Commissioner of Public Lands

BY:  
Ted Bilberry, Supervisor  
Oil and Gas Division

MEM/MMR/m  
cc:

OCC-Santa Fe, New Mexico  
USGS- Roswell, New Mexico

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

INACTIVE 000  
OCT 20 11 00 30

10/23/39

P. O. Box 6721  
Roswell, New Mexico

October 23, 1939

Sinclair Oil and Gas Company  
P. O. Box 509  
Roswell, New Mexico

Gentlemen:

This will acknowledge receipt of the following documents relating to the Sand Hills unit agreement (No. 14-03-001-1592), Lea County, New Mexico:

1. Eight copies of a Ratification of the unit agreement and unit operating agreement, executed by Wilma Dunham Nelson and George A. Nelson. Information received from the Bureau of Land Management shows that Wilma Dunham Nelson is the successful offeror for New Mexico 067702, embracing the E $\frac{1}{2}$  sec. 3; NE $\frac{1}{4}$  sec. 10; E $\frac{1}{2}$  sec. 21; and E $\frac{1}{2}$  sec. 29, T. 26 N., R. 34 E., N.M.P.M. Said land is within the Sand Hills unit area, and is described in Exhibit "B" as unit tracts 14 and 15. The land was formerly embraced in oil and gas leases Los Cerros 069312-A and 069312-B, which have been terminated. Consent of Sinclair Oil and Gas Company, unit operator, appears on each copy of the Ratification.

By virtue of the Ratification and Joinder listed above, the Federal land described in Exhibit "B" as unit tracts 14 and 15 is considered effectively committed to the Sand Hills unit agreement, effective as of the effective date of lease NE 067702.

Copies of the Ratifications and Joinders are being distributed to appropriate Federal offices for inclusion in the official case records. It is assumed you will furnish other interested parties with appropriate evidence of this action. Four copies of the Ratification and Joinder are surplus to our needs and is returned herewith.

Very truly yours,

ERWIN M. THOMASSON  
Acting Oil and Gas Supervisor

Enclosure

Copy to: Wash. (w/cy of Joinders) NMOCC (Ltr. only)  
Hobbs (w/cy of Joinders)  
ELM-Santa Fe (w/cy of Joinders)

MAIN OFFICE CCC

1958 AUG 13 AM 8:37

*F. K.*  
*100*  
*693*

August 11, 1958

The Honorable Murray E. Mergan  
Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Re: Sand Hills Unit  
Lea County, New Mexico

Dear Sir:

We are pleased to advise that a well is to be drilled on the above styled Unit, through arrangements we have made with Toreador Royalty Corporation, 202 Tower Petroleum Building, Dallas 1, Texas. This well is to be located 660 ft. from the north line and 660 ft. from the east line of Section 5, T-26-S, R-36-E, NMPM, Lea County, New Mexico. Form C-128, Well Location and Acreage Dedication Plat have been furnished the New Mexico Oil Conservation Commission by Toreador Royalty Corporation.

By copy of this letter, we are advising the New Mexico Oil Conservation Commission of this well location on subject Unit. A copy of this letter is being furnished to the United States Department of the Interior, Geological Survey, at Hobbs, New Mexico.

Yours truly,

SINCLAIR OIL & GAS COMPANY

COPY <sup>Original</sup> Signed C. S. TINKLER

C. S. TINKLER

RLO/jjp

cc: New Mexico Oil Conservation Commission

Santa Fe, New Mexico  
ATTN: Unit Supervisor

United States Department of the Interior,  
Geological Survey

Hobbs, New Mexico

12-03-56

12-03-56

December 3, 1956

In reply refer to:  
Unit Division

Sinclair Oil and Gas Co.  
P. O. Box 809  
Roswell, New Mexico



Re: Sand Hills Unit -  
Request for Approval of  
Second Test Well

Gentlemen:

Mr. Roger Holmes brought to us your request that we approve a well, to be designated as Unit Test Well No. 2 which will be located 1980 feet from the north and east lines of Section 10, Township 26-South, Range 36-East, Lea County. This well is to be drilled to a depth of 4,000 feet to thoroughly test the Capitan Reef formation and is to be approved as a proper second test well.

Your one year extension for drilling your second test well will expire as of December 23, 1956, and such well will be spudded on or before that date. We request that you file a copy of your Intention with this office and also a copy of your approval from the United States Geological Survey granting this designation.

We are enclosing one copy of request which was approved by the Commissioner of Public Lands as of December 3, 1956, subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

ESW:MMR/m  
enc: 1

cc: USGS-Roswell  
OCC-Santa Fe

Reply to:  
Unit Division

January 17, 1956

*file*

Sinclair Oil & Gas Company  
P. O. Box 809  
Roswell, New Mexico

Re: ( Sand Hills Unit )  
Extension of Drilling Time

Attention: Mr. A. H. Liwyd  
District Landman

Gentlemen:

We are today approving your request for Extension of the Drilling of the second well on the above designated Unit. We feel extension is warranted in view of the information that your first well located in Section 12-26S-35E was drilled to a depth of 12,508 feet at a cost of Two Hundred Thousand One Hundred Nineteen and 15/100 (\$240,119.15) Dollars, and well was determined to be dry in all formations.

It is requested that you furnish this office with copies of notices covering proposed locations, and drilling operations when such are determined.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m

cc: USGS-Roswell  
OCC-Santa Fe

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 23, 1954

Mr. A. H. Llwyd  
Sinclair Oil & Gas Company  
Box 1122  
ROSWELL N M

Dear Mr. Llwyd:

We attach two signed copies of Order No. R-411 issued by the Commission in Case 653, involving approval of your Sand Hills Unit Agreement.

Very truly yours,

R. R. Spurrier  
Secretary - Director

RRS:nr

C  
O  
P  
Y

653

# SINCLAIR OIL & GAS COMPANY

P. O. Box 1122  
Roswell, New Mexico

RECEIVED OCC  
JUN 27 1954 8:35  
June 25, 1954

Mr. R. R. Spurrier  
Oil Conservation Commission  
Santa Fe, New Mexico

Re: Sinclair Sand Hills Unit  
Unit Approval of Amendment

Dear Sir:

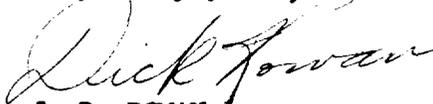
Enclosed please find six copies of an Amendment and Modification instrument for approval and execution by the proper state officials. It will be recalled that this Amendment was prepared so as to extend state leases in their secondary term should production be obtained on the above-captioned Unit.

Since the Unit Agreement proper was executed by the members of the Oil Conservation Commission of the State of New Mexico and by E. S. Walker as a Member and also as Commissioner of Public Lands, it is believed that the enclosed instrument should also be executed in this manner. Please note that Mr. Walker must sign both as a Member and as Commissioner.

We will certainly appreciate receiving five of these executed instruments as soon as possible since this is the last requirement which the federal government has requested. The sixth copy enclosed is for your files.

Thank you very much for your assistance and cooperation in obtaining these signatures for us.

Very truly yours,



J. R. ROWAN  
Assistant District Landman

JRR/cr  
Encs.

Case 653

7/6/54 Hearing

# SINCLAIR OIL & GAS COMPANY

P. O. Box 1122  
Roswell, New Mexico

Copy + mail  
to Staley + Pate

January 18, 1954

Mr. R. R. Spurrier, Secretary  
State Conservation Commission  
Santa Fe, New Mexico

Re: Our Sand Hills Unit,  
Lea County, New Mexico

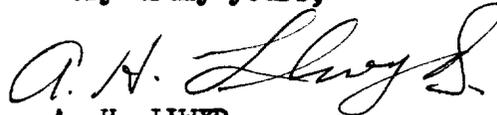
Dear Sir:

We respectfully request a hearing on February 17, 1954, for the Conservation Commission's approval of our Sand Hills Unit located in Townships 25S-36E, 26S-35E and 26S-36E, Lea County, New Mexico, which embraces 17,426.75 acres of federal lands comprising 81.44475 per cent of the entire unit; 2,856.72 acres of state of New Mexico lands comprising 13.35102 per cent of the entire unit, and 1,113.55 acres of patented lands comprising 5.20423 per cent of the entire unit, making a grand total of 21,397.02 acres in the unit.

I am attaching hereto a fully executed copy of the Unit Agreement. Our company contemplates drilling a well to be located in the SE/4 SE/4 of Section 17-26S-36E to the depth of 12,500' to test the Pennsylvanian.

Will you kindly advise me if it will be possible for a hearing before the Conservation Commission on the date mentioned above.

Very truly yours,



A. H. LLWYD  
District Landman

AHL/cr

Enc.

cc: Mr. P. C. Brooke  
Mr. R. W. Knopp,  
ATTN: Mr. R. B. Graham