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August 31, 1972



Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

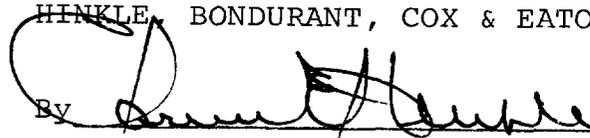
Gentlemen:

We enclose in triplicate application of  
Inexco Oil Company for approval of the Sitting Bull  
Unit Agreement in Eddy County.

We have previously arranged for this matter  
to appear on the examiner's docket for September 13.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By 

CEH:cs  
Enc.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF INEXCO OIL COMPANY FOR )  
APPROVAL OF THE SITTING BULL UNIT )  
AGREEMENT EMBRACING SECTIONS 28, 29, )  
31, 32, 33, TOWNSHIP 23 SOUTH, RANGE )  
22 EAST AND SECTIONS 4 THROUGH 9, )  
TOWNSHIP 24 SOUTH, RANGE 22 EAST, )  
EDDY COUNTY, CONTAINING 6664.54 ACRES )  
OF FEDERAL LAND. )

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

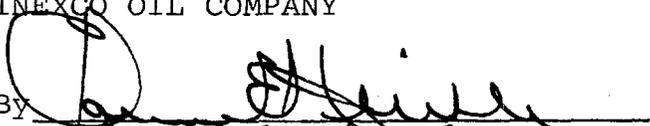
Comes Inexco Oil Company, acting by and through the under-  
signed attorneys, files herewith three copies of the proposed Unit  
Agreement for the Development and Operation of the Sitting Bull  
Unit Area and hereby makes application for approval of said agree-  
ment which embraces Sections 28, 29, 31, 32, 33, Township 23 South,  
Range 22 East and Sections 4 through 9, Township 24 South, Range  
22 East, Eddy County, containing 6664.54 acres of federal land, and  
in support thereof respectfully shows:

1. The proposed unit area embraces 6664.54 acres of federal  
lands, the ownership of the leasehold interests thereon being more  
particularly shown by Exhibit "A" attached hereto and made a part  
hereof.
2. Applicant is designated as unit operator in the proposed  
unit agreement and the form of unit agreement is substantially the  
same as heretofore approved by the United States Geological Survey.
3. The unit agreement provides that within 6 months from  
the effective date unit operator shall commence a test well on the  
unit area, which is to be drilled with due diligence until the Pennsyl-  
vanian formation has been tested, but operator is not required in any  
event to drill the well to a depth in excess of 6,300 feet.
4. Applicant believes that in the event oil and gas in paying  
quantities should be discovered on the unit area the unit agreement  
will be in the interest of conservation and the prevention of waste  
and will tend to protect correlative rights.

5. Applicant requests that this matter be set down for hearing at the examiner's hearing on September 13, 1972.

Respectfully submitted,

INEXCO OIL COMPANY

By 

Member of the Firm of  
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