

BEFORE THE OIL CONSERVATION COMMISSION
OF THE 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. 4813
Order No. R-4394

APPLICATION OF INEXCO OIL
COMPANY FOR APPROVAL OF THE
SITTING BULL UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 13, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of September, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Inexco Oil Company, seeks approval of the Sitting Bull Unit Agreement covering 6,964.54 acres, more or less, of Federal lands described as follows:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 22 EAST, NMPM
Sections 28 and 29: All
Sections 31 through 33: All

TOWNSHIP 24 SOUTH, RANGE 22 EAST, NMPM
Sections 4 through 9: All

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Sitting Bull Unit Agreement is hereby approved.

-2-

CASE NO. 4813

Order No. R-4394

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

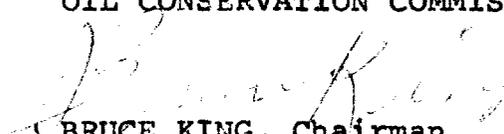
(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

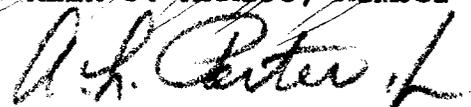
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIÑO, Member


A. L. PORTER, Jr., Member & Secretary



S E A L

dr/



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

September 19, 1972

Mr. Clarence Hinkle
Hinkle, Bondurant, Cox & Eaton
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Re: Case No. 4813
Order No. R-4394
Applicant:
Inexco Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC _____

Other D Unit Division - State Land Office



September 25, 1972

RECEIVED
SEP 27 1972
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

4813

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: CASE NO. 4813
ORDER NO. R-4394
SITTING BULL UNIT

Gentlemen:

Pursuant to the above order, we enclose herewith one copy each of the Unit Agreement and Unit Operating Agreement for the Sitting Bull Unit, Eddy County, New Mexico. Attached to each is a full set of Consent and Ratification instruments.

Very truly yours,

INEXCO OIL COMPANY

A handwritten signature in cursive script, appearing to read 'Wm. J. Green'.

Wm. J. GREEN

Wm. JG/jl

enclosures