

In the Matter of the Unit Agreement)
for the Development and Operation) Application for Approval of Termination
of the Thorn Unit Area, County of Otero,) of the Thorn Unit Agreement Pursuant
State of New Mexico) to Section 20 Thereof.

To: The Honorable Director of the Geological Survey,
Department of the Interior, Washington, D. C.

The Honorable Commissioner of Public Lands
of the State of New Mexico.

The State of New Mexico Oil Conservation Commission.

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SANTA FE, N. M.

Stanolind Oil and Gas Company in its own behalf and as Unit Operator and representing more than ninety-nine per centum (99%), on an acreage basis of the interest signatory to the Thorn Unit Agreement, #14-08-001-533, hereby respectfully requests approval of the Director, the Commissioner and the Commission to the immediate termination of the Thorn Unit Agreement, pursuant to Section 20 thereof.

In support of this Application for Termination, the following is respectfully submitted.

(1) Pursuant to Section 9 of said Unit Agreement, the Thorn Unit Well #1, located 1980' from the north line and 660' from the east line of Section 15, Township 21 South, Range 14 East, Otero County, New Mexico, was drilled to a total depth of 4,646'.

(2) The elevation of the drill site is 6,380' and the following tops were recorded:

Glorietta	680'
Abo	2400'
Pennsylvanian	2735'

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(3) No commercial oil or gas showings were encountered in any of the zones penetrated.

(4) The well was plugged and abandoned on September 14, 1953.

The undersigned believes it is reasonably determined that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested, and, therefore, is unwilling to incur the expense and risk of drilling any additional test wells. We have been unsuccessful in our attempts to find another party to drill the well on a farm out basis.

Dated this 23rd day of August, 1954.

Attest:

STANOLIND OIL AND GAS COMPANY


Assistant Secretary

By Frank Lindeman, Jr.
Vice President

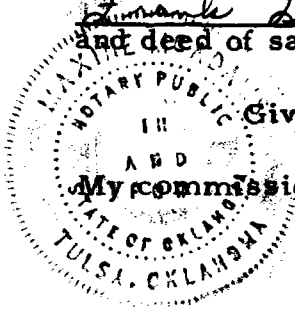
APPROVED
SEP 23

STATE OF OKLAHOMA)
COUNTY OF TULSA)

On this 23rd day of August, 1954, before me appeared Frank Lindeman, Jr., to me personally known, who, being by me duly sworn, did say that he is the Vice President of STANOLIND OIL AND GAS COMPANY, a Delaware corporation, and that the seal affixed to said instrument is the

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corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Frank Lindeman Jr. acknowledged said instrument to be the free act and deed of said corporation.



Given under my hand and notarial seal this 23rd day of August, 1954.

My commission expires: _____

Maxine M. Adams
Notary Public

The foregoing application is hereby approved this 7th day of October, 1954, and the Thorn Unit Agreement is hereby terminated, effective as of October 1, 1954.

Acting Director of the United States Geological Survey

By Thomas B. Nolan

The foregoing application is hereby approved this 7th day of October, 1954, and the Thorn Unit Agreement is hereby terminated.



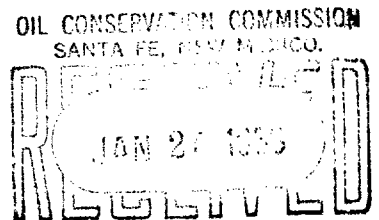
E. Walker
Commissioner of Public Lands

The foregoing application is hereby approved this 20th day of September, 1954, and the Thorn Unit Agreement is hereby terminated.

State of New Mexico
Oil Conservation Commission

By W. B. Macey

SECRETARY DIRECTOR



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
STANOLIND OIL AND GAS COMPANY FOR
THE APPROVAL OF A UNIT AGREEMENT FOR THE
THORN UNIT AREA, EMBRACING 5,650.46 ACRES,
MORE OR LESS, LOCATED IN TOWNSHIP 21 SOUTH,
RANGE 14 EAST, N.M.P.M., OTERO COUNTY,
NEW MEXICO

CASE NO. 492

A P P L I C A T I O N

An application is hereby made by Stanolind Oil and Gas Company, a corporation, for approval by the Oil Conservation Commission, of a unit agreement entitled "Unit Agreement for the Development and Operation of the Thorn Unit Area, County of Otero, State of New Mexico", the said agreement having been entered into between the applicant herein as the Unit Operator and certain working interest owners and royalty owners as have, or may hereafter, subscribe to or consent to the agreement.

The Thorn Unit embraces the following described lands located in Otero County, New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T-21-S, R-14-E

Sec. 2, All
Sec. 3, All
Sec. 9: E/2 SE/4
Sec. 10, All
Sec. 11, All
Sec. 14, All
Sec. 15, All
Sec. 16: E/2 E/2
Sec. 22, All
Sec. 23, All

Total Unit Area embraces 5,650.46 acres, more or less.

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 the applicant in order that it may file the necessary counterparts thereof with the Department of the Interior of the United States for the purpose of obtaining 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 of the State of New Mexico. An unsigned copy of the unit agreement is being filed herewith in the office of the Commission for a temporary record pending the receipt of the final completed copy.

The form of unit agreement has previously been considered by the Commissioner of Public Lands. Geological evidence concerning the structure affected by this unitization will be submitted to the Commissioner of Public Lands and at the hearing hereinafter requested.

With reference to the lands embraced in this unit, there is attached to the unsigned copy of the unit agreement, hereinafter filed, a map of the unit area on which is shown the ownership of the various lands embraced in the said unit. The applicant is continuing efforts to obtain commitments to the unit agreement from those owners of interests who have not yet joined, and a full showing of the commitments will be made at the time of the hearing hereinafter requested.

Within six (6) months after the date the unit agreement becomes effective the unit operator is obligated to commence drilling operations on an adequate test well. Should commercial production be discovered, the unitized operation will assure an orderly development program based on structural position and will enable productive operations to be conducted in accordance with the best over-all reservoir practices. Development and operation will be conducted in accordance with the plans having the joint approval of Federal and State authorities. Under this agreement the State of New Mexico will receive its fair share of the oil and gas and this will be allocated to it on an acreage basis in any and all participating areas that may be established. This unit agreement is in all respects to the best interests of the State of New Mexico and tends to eliminate waste and promote conservation of oil and gas.

The unit agreement makes express provision that additional parties may join and subject their interests to the said agreement after its final approval.

The Commission is respectfully requested to set this matter and application down for hearing and following said hearing to give its approval to the unit agreement.

Respectfully submitted this 23rd day of January, 1953.

STANOLIND OIL AND GAS COMPANY

By C. F. Bedford
Its Agent and Attorney in Fact

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

TO THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY:

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Thorn Unit, County of Otero, State of New Mexico, has heretofore drilled the first test well to a depth of at least 4500' in compliance with Article 9 of said Unit Agreement. Under the terms of Article 9 of said Unit Agreement, the Unit Operator is obligated to commence drilling a second test well within six months of the completion date of the first test well. Thorn Unit Well No. 1, located 1980' from the north line and 660' from the east line of Section 15, T-21-S, R-14-E, Otero County, New Mexico, the first test well, was drilled to 4500' without encountering unitized substances in paying quantities. Drilling proceeded below this depth, however, in order to evaluate possible deeper pays. Due to the lack of a readily available source of water in the area, it was necessary to drill Thorn Unit Well No. 1 using air rather than drilling mud as the circulating medium with which to carry drill cuttings to the surface. Drilling difficulties were encountered at a total depth of 4646' which resulted in the ultimate loss of the hole. Thorn Unit No. 1 was temporarily abandoned as a junked hole on September 14, 1953. Although unitized substances in paying quantities were not encountered above the total depth of 4646', the available geological information indicates possibilities of commercial production in deeper pays in the area. The lack of a readily available water supply, however, makes drilling costs in the area excessive and almost prohibitive. For that reason it is considered advisable to make a suitable farmout in order that exploration of these deeper pays may be better carried out. The Unit Operator fully intends to comply with the terms of the Unit Contract and is asking for a reasonable extension of time in order that negotiations in this respect may be consummated.

Premises considered, Stanolind Oil and Gas Company, Unit Operator under the Thorn Unit Agreement hereby makes application to the Director of the United States Geological Survey, pursuant to Article 9 of said Unit Agreement for an

extension of 12 months from and after March 14, 1954, for the commencement of the second test well to be drilled on the unit area so that said test well shall be commenced on or before March 14, 1955. Copies of this application have been filed with the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico.

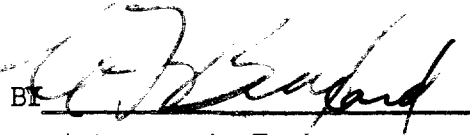
IN WITNESS WHEREOF, this application is hereby made this 25th day of

February, 1954.

ATTEST:

STANOLIND OIL AND GAS COMPANY
Unit Operator of the Thorn
Unit Agreement


Assistant Secretary

BY 
Attorney-in-Fact

The foregoing application is hereby approved this _____ day of _____, 1954, and the time for the commencement of the test well referred to in the foregoing application is hereby extended to March 14, 1955.

DIRECTORY OF THE UNITED STATES
GEOLOGICAL SURVEY

BY _____