

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
JURNEGAN POINT UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, California Oil Company,
(Standard Oil Company of Texas Division), with offices at
Houston, Texas, and files herewith three copies of the pro-
posed Unit Agreement for the Development and Operation of
the Jurnegan Point Unit Area, Eddy County, New Mexico, and
hereby makes application for the approval of said Unit
Agreement as provided by law, and in support thereof states:

1. That the proposed unit area covered by said
agreement embraces 10, 240.84 acres, more or less, more
particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 24 South, Range 24 East

Sections 1, 2, 11, 12 and 13 - All

Township 24 South, Range 25 East

Sections 4, 5, 6, 7, 8, 9, 10,
15, 16, 17 and 18 - All

2. That of the lands embraced within the proposed
unit area 9,680.84 acres are lands of the State of New Mexico
and 560 acres are fee or privately owned lands.

3. That application is being made for the designation of said unit area and for the approval of the form of said Unit Agreement by the Commissioner of Public Lands of the State of New Mexico.

4. That applicant is informed and believes, and upon such information and belief states, that the proposed unit area contains all or substantially all of the geological feature involved, and that in the event of the discovery of oil or gas thereon, that said Unit Agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

5. That the California Oil Company, (Standard Oil Company of Texas Division), is designated as the Unit Operator in said Unit Agreement, and as such is given authority under the terms thereof to carry on all operations necessary for the development and operation of the unit area for oil and gas subject to all applicable laws and regulations. That said Unit Agreement provides for the drilling of an initial test well to a depth sufficient to test the Devonian formation, but that applicant is not obligated to drill said well, in any event, to a depth in excess of 12,000 feet.

6. That applicant believes that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed

more economically and efficiently under the terms of said Unit Agreement, to the end that the maximum recovery will be obtained of unitized substances, and that said Unit Agreement is in the interest of conservation and prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes and regulation.

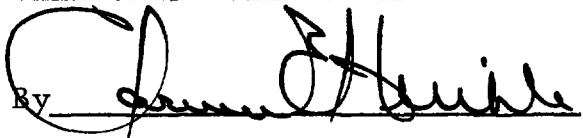
7. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement, and after approval thereof by the Commissioner of Public Lands of the State of New Mexico, an approved copy will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of the approval of said Unit Agreement, and that upon said hearing, said Unit Agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and the prevention of waste.

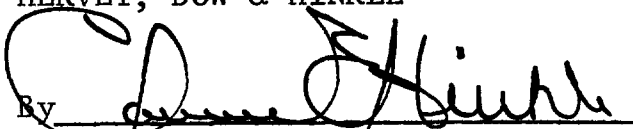
DATED this 13th day of October, 1961.

Respectfully submitted,

CALIFORNIA OIL COMPANY

By 

HERVEY, DOW & HINKLE

By 
Attorneys for California Oil Company
Roswell, New Mexico