

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR
APPROVAL OF THE SOUTHWEST JAL UNIT
AGREEMENT EMBRACING 6401.20 ACRES,
MORE OR LESS, LOCATED IN TOWNSHIPS
25 AND 26 SOUTH, RANGE 36 EAST,
N. M. P. M., LEA COUNTY, NEW MEXICO,

CASE NO. 2993

ORDER NO. _____

A P P L I C A T I O N

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby files application for approval of the Unit Agreement for the Development and Operation of the Southwest Jal Unit Area, Lea County, New Mexico, and in support thereof shows:

1.

That applicant files as a part hereof three copies of said unit agreement, which embraces the following described land as constituting the unit area:

New Mexico Principal Meridian, New Mexico

Township 25 South, Range 36 East

Section 31	All
Section 32	All
Section 33	All

Township 26 South, Range 36 East

Section 3	W/2
Section 4	All
Section 5	All
Section 6	All
Section 7	All
Section 8	All
Section 9	All
Section 10	W/2

situated in Lea County, New Mexico, and containing 6401.20 acres.

Said lands have been designated by the Director of the United States Geological Survey as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act. The area consists of 5,561.20 acres of federal lands, 640 acres of state lands and 200 acres of fee lands which is, respectively, 86.88%, 10% and 3.12% of the unit area. A map of the unit area is attached as Exhibit A to the unit agreement.

DOCKET MAILED

Date 2-10-64
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2.

That the substances unitized in the agreement are all oil and gas in the hereinabove specified lands as to all formations.

3.

That the unit area embraces all of the geological features reasonably expected to be productive of unitized substances and, therefore, operation and development of the area as a unit will contribute to orderly development and will be in the interest of conservation.

4.

The applicant, Sinclair Oil & Gas Company, is designated as Unit Operator and is required within six months after the effective date of the unit agreement to commence a well and thereafter drill same to a total depth of 13,500 feet or such lesser depth as will test the Morrow formation of the Pennsylvanian Age, unless unitized substances are discovered in paying quantities at a lesser depth. The unit operator is required to continue drilling diligently one well at a time with not more than six months between the completion of one well and the commencement of another well until the discovery of a deposit of unitized substances capable of being produced in paying quantities, and after discovery the unit operator is required to submit for the approval of the Supervisor of the United States Geological Survey and the Commissioner of Public Lands an acceptable plan of development and operation which, when approved, constitutes the further drilling and operating obligations of the unit operator. Said agreement is in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and by the New Mexico Oil Conservation Commission.

5.

That attached hereto as Exhibit "A" and made a part hereof is a list of the names and addresses of all persons or

parties having a working interest, royalty or overriding royalty interest in the unit area, which are all interested parties known to applicant.

6.

That application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

7.

Applicant believes and therefore alleges that in the event oil or gas in paying quantities is discovered on lands within the unit area, the pool can be developed more economically and efficiently under the terms of said unit agreement to the end that the maximum recovery will be obtained, and that said agreement is in the interest of the conservation of oil and gas and the prevention of waste. Applicant would further show that the agreement is fair to all royalty owners.

WHEREFORE, applicant prays that this application be set for public hearing before an examiner in Santa Fe, New Mexico, that notice be issued hereon according to law, and that upon hearing said unit agreement be approved.

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GILBERT, WHITE AND GILBERT

By W B Kelly
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ATTORNEYS FOR APPLICANT
SINCLAIR OIL & GAS COMPANY