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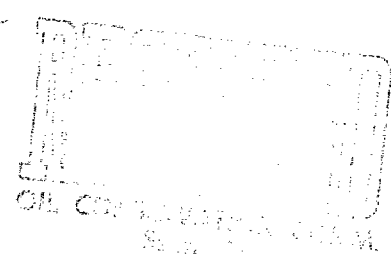
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August 31, 1972



Oil Conservation Commission
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Santa Fe, New Mexico 87501

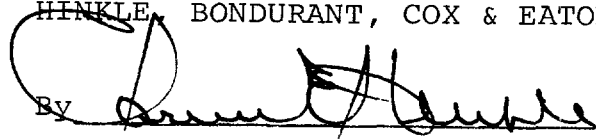
Gentlemen:

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 undersigned 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 agreement 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 Pennsylvanian 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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P.O. Box 10
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