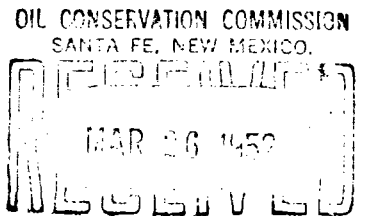


BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION



IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR AP-
PROVAL BY THE NEW MEXICO OIL CONSER-
VATION COMMISSION OF A UNIT AGREEMENT
COVERING THE DEVELOPMENT AND OPERATION
OF THE COX CANYON UNIT AREA LOCATED
IN SAN JUAN COUNTY, STATE OF NEW MEXICO)

CAUSE CD. NO. _____

FILED _____

HEARING SET _____

A P P L I C A T I O N

Comes now SINCLAIR OIL & GAS COMPANY and respectfully shows to the
New Mexico Oil Conservation Commission as follows, to-wit:

1. That applicant and all the other working interest owners of leases
covering the land hereinafter designated have heretofore on January 10, 1952
entered into an agreement entitled "Unit Agreement For The Development And
Operation Of The Cox Canyon Unit Area, County of San Juan, State of New
Mexico".

2. That the unit area designated in said agreement comprises 2584.60
acres, more or less, situated in San Juan County, New Mexico, and more par-
ticularly described as follows:

T. 32 North. R. 11 W.

Sec. 8: Lots 1, 2 and $S\frac{1}{2} SE\frac{1}{4}$;
Sec. 9: Lots 1, 2, 3, 4 and $S\frac{1}{2} S\frac{1}{2}$;
Sec. 16: All;
Sec. 17: $E\frac{1}{2}$ and $E\frac{1}{2} W\frac{1}{2}$;
Sec. 20: $NE\frac{1}{4}$ and $E\frac{1}{2} SE\frac{1}{4}$;
Sec. 21: All;
Sec. 28: $N\frac{1}{2} NW\frac{1}{4}$;

That of the above described land all except Section 16 are federal lands and
Section 16 is state land.

3. That applicant believes and therefore alleges that such agreement
will tend to promote the conservation of oil and gas and better utilization
of reservoir energy; that under the proposed unit operation the State of
New Mexico will receive its fair share of the recoverable oil or gas in place
under its land in the proposed unit area, and that such unit agreement is in

all respects for the best interest of the State with respect to the state land covered thereby.

4. Attached hereto, marked Exhibit "A" and made a part hereof is a plat showing the proposed unit area outlined in red, together with the names of the owners of the leasehold estates covering said land.

5. Attached hereto, marked Exhibit "B" and made a part hereof is a copy of a geological report and a structure map showing the geological feature involved indicating that if oil or gas is discovered thereon said unit agreement will afford effective control of the entire structure.

6. Attached hereto, marked Exhibit "C" and made a part hereof is a copy of a letter from Julian D. Sears, Acting Director of the United States Geological Survey, Washington, D. C., approving the designated area covered by the unit agreement.

7. Under the terms of the unit agreement Earl Jones is designated as unit operator to carry on all operations which are necessary for the development and operation of the unit area for oil and gas subject to all applicable laws and regulations.

8. That under the terms of the unit agreement a test well is provided for, which shall be commenced within six months after the effective date of said agreement and drilled to a depth sufficient to test the Morrison Sand formation or to a depth of 8500 feet, whichever is the lesser, unless oil or gas is found in paying quantities at a lesser depth.

9. That said unit 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 and it is believed that the operations to be carried on under the terms thereof will promote the economic and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field if oil or gas should be produced in paying quantities, and that the agreement will be in the interest of conservation of oil and gas and the prevention of waste as contemplated by the oil conservation statutes of the State of New Mexico.

10. That if this application be granted and an order approving said

said unit agreement be entered by this Commission, after approval of said agreement by the Commissioner of Public Lands of the State of New Mexico a fully executed and approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, applicant prays that this matter be set down for hearing that notice thereof be given as required by law and that upon final hearing this Commission enter an order approving the Unit Agreement For The Development And Operation Of The Cox Canyon Unit Area, San Juan County, State of New Mexico.

Respectfully submitted,

SINCLAIR OIL & GAS COMPANY

By

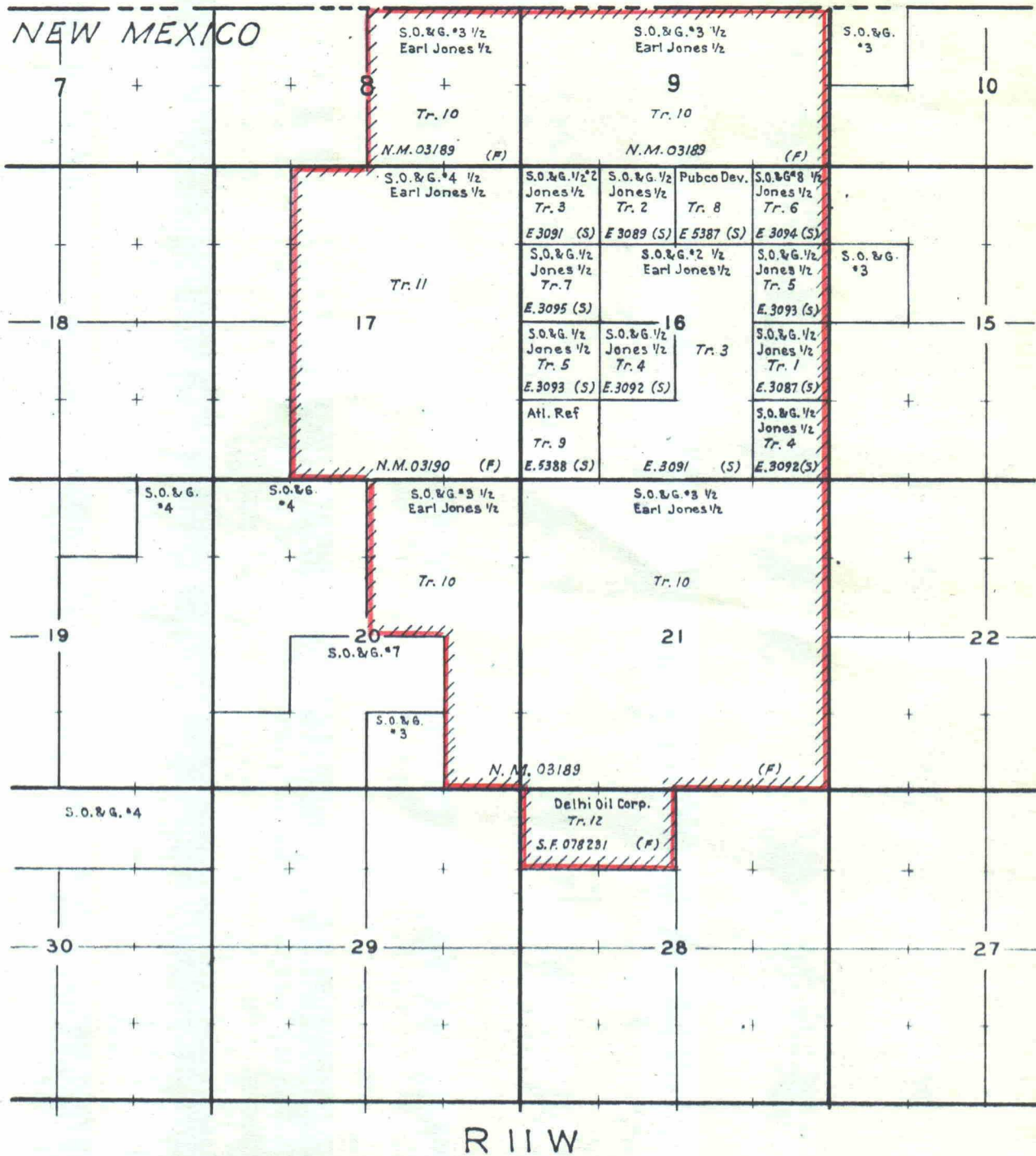
Ralph W. Gantt
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ATTORNEYS

P. O. Box 521
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GDA/ws

COLORADO

NEW MEXICO



Cox Canyon Unit
2560 Ac.

PART OF
SAN JUAN CO., NEW MEXICO
Scale: 2"=1 Mile

EXHIBIT "A"