

Entered October 23, 1962

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2629
Order No. R-2320

APPLICATION OF S. P. YATES DRILLING
COMPANY FOR APPROVAL OF THE PECOS
RIVER DEEP UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, S. P. Yates Drilling Company, seeks approval of the Pecos River Deep Unit Agreement covering 17,257.82 acres, more or less, of Federal, State and Fee lands in portions of Township 19 South, Ranges 26 and 27 East, and Township 20 South Range 26 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed Pecos River Deep Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Pecos River Deep Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Pecos River Deep Unit Area, and such plan shall be known as the Pecos River Deep Unit Agreement Plan.

(3) That the Pecos River Deep Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Pecos River Deep Unit, or relative to the production of oil and gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 19 SOUTH, RANGE 26 EAST

Section 23: E/2
Section 24: A11
Section 25: A11
Section 26: A11
Section 27: E/2 E/2
Section 34: E/2
Section 35: A11
Section 36: A11

TOWNSHIP 20 SOUTH, RANGE 26 EAST

Section 1: A11
Section 2: A11
Section 3: E/2 and SW/4
Section 9: E/2
Section 10: A11
Section 11: A11
Section 12: A11
Section 13: A11
Section 14: A11
Section 15: A11

TOWNSHIP 19 SOUTH, RANGE 27 EAST

Section 15: W/2
Section 16: A11
Section 17: E/2
Section 19: A11
Section 20: A11
Section 21: A11
Section 22: W/2
Section 28: A11
Section 29: A11
Section 30: A11
Section 31: A11
Section 32: A11
Section 33: A11

comprising 17,257.82 acres, more or less.

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(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Pecos River Deep Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

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