

*Entered April 11, 1956
A.L.O.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1023
Order No. R-780

THE APPLICATION OF SINCLAIR OIL
AND GAS COMPANY FOR THE APPROVAL
OF THE SEAMAN UNIT AGREEMENT,
EMBRACING 1,522.05 ACRES, MORE
OR LESS, LOCATED IN TOWNSHIP 16
SOUTH, RANGE 33 EAST AND TOWNSHIP
16 SOUTH, RANGE 34 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on March 1, 1956, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 20th day of March 1956, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application, the evidence presented, and the recommendations of the Examiner, Warren W. Mankin, 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 proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

Section 1. That this order shall be known as the

SEAMAN UNIT AGREEMENT ORDER

Section 2. (a) That the project herein referred to shall be known as the Seaman Unit Agreement and shall hereafter be referred to as the "Project".

(b) That the plan by which the project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Seaman Unit Area, referred to in the petitioner's petition and filed with said petition, and such plan shall be known as the Seaman Unit Agreement Plan.

Section 3. (a) That the Seaman Unit Agreement Plan shall be, and hereby is, 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, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Seaman Unit Agreement, or relative to the production of oil or gas therefrom.

(b) That the unit operator periodically shall file with the Commission a Seaman Unit Statement of Progress, summarizing operations for the exploration and development of any lands committed to said Seaman Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six months during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the Seaman Unit Area.

Section 4. That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 16 SOUTH, RANGE 33 EAST

SE/4 Section 12

SE/4 and NE/4 Section 13

SE/4 and NE/4 Section 24

TOWNSHIP 16 SOUTH, RANGE 34 EAST

Lots 3 and 4 and E/2 SW/4 Section 7

Lots 1, 2, 3, and 4, E/2 NW/4, and E/2 SW/4
Section 18

Lots 1, 2, 3, and 4, E/2 NW/4, and E/2 SW/4
Section 19

containing 1,522.05 acres, more or less.

Section 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Seaman Unit Agreement within 30 days after the effective date thereof.

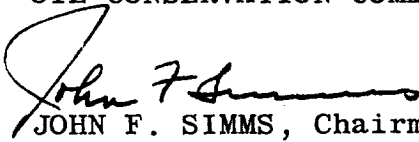
Section 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof, may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart of ratification.

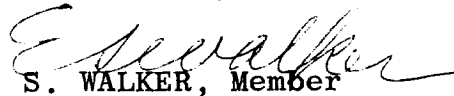
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Section 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

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