

Entered October 15, 1956

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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. 1160
Order No. R-897

THE APPLICATION OF ENTERPRISE OILS,
INC., FOR APPROVAL OF THE ENTERPRISE
UNIT AGREEMENT EMBRACING 1440 ACRES,
MORE OR LESS, IN SECTIONS 16, 17, 20,
21 AND 28, 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 9 o'clock a.m. on October 4, 1956, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Rules and Regulations of the Commission.

NOW, on this 8th day of October, 1956, the Oil Conservation Commission of the State of New Mexico, a quorum being present, having considered said application and the recommendations of the Examiner, Daniel S. Nutter, 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

ENTERPRISE UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Enterprise 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 Enterprise Unit Area, referred to in the Petitioner's petition and filed with said Petition, and such plan shall be known as the Enterprise Unit Agreement Plan.

SECTION 3. (a) That the Enterprise 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 obligation 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 Enterprise Unit Agreement, or relative to the production of oil or gas therefrom.

(b) That the Unit Operator periodically shall file with the Commission an Enterprise Unit Statement of Progress summarizing operations for the exploration and development of any lands committed to said Enterprise Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period 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 Enterprise Unit Area.

SECTION 4. That the Unit Area will be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 34 EAST, LEA COUNTY

Section 16: W/2
Section 17: E/2
Section 20: NE/4
Section 21: W/2
Section 28: N/2

containing 1,440 acres, more or less.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Enterprise 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.

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

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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


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

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