

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE CONTINENTAL OIL COMPANY, A CORPORATION, FOR AN ORDER APPROVING THE PROPOSED DIAMOND MOUND UNIT AGREEMENT EMBRACING 28,592.85 ACRES OF FEDERAL, STATE AND PRIVATELY OWNED LANDS SITUATED IN CHAVES AND EDDY COUNTIES, NEW MEXICO, WITHIN TOWNSHIPS 15 AND 16 SOUTH, RANGES 26 AND 27 EAST, N.M.P.M.

CASE NO. 227
ORDER NO. R-25

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M., on the 18th day of July 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", upon the application of the Continental Oil Company for approval of the Diamond Mound Unit Agreement embracing lands situated in Chaves and Eddy Counties, New Mexico and the Commission having considered said application and the evidence introduced in support thereof and being fully advised in the premises:

FINDS 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 BY THE COMMISSION AS FOLLOWS:

SECTION 1. That this order shall be known as the

DIAMOND MOUND UNIT AGREEMENT ORDER

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

SECTION 3. That the Diamond Mound 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 rights, 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 Diamond Mound Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

T. 15 S., R. 26 E.

Sec. 24, SE $\frac{1}{4}$
Sec. 25, all

Sec. 26, SE $\frac{1}{4}$
Sec. 35, E $\frac{1}{2}$
Sec. 36, all

T. 15 S., R. 27 E.,

Sec. 19, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Sec. 20, S $\frac{1}{2}$
Secs. 29, 30, and 31, all
Sec. 32, all
Sec. 33, W $\frac{1}{2}$ W $\frac{1}{2}$

T. 16 S., R. 27 E.,

Secs. 1 to 34 inclusive
Sec. 35, NW $\frac{1}{4}$ NW $\frac{1}{4}$

Total unit area 28,592.35 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Diamond Mound 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. The unit operator shall file with the Commission within 30 days an original of any such counterpart.

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on 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 20th day of July, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY