

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6989
Order No. R-6443

APPLICATION OF READ & STEVENS,
INC. FOR APPROVAL OF THE LANCASTER
SPRING UNIT AGREEMENT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 6, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of August, 1980, the Division
Director, having considered the testimony, the record, and
the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

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

(2) That the applicant, Read & Stevens, Inc., seeks
approval of the Lancaster Spring Unit Agreement covering 960
acres, more or less, of State, Federal and Fee lands described
as follows:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 8: All
Section 9: W/2

(3) That all plans of development and operation and
creations, expansions, or contractions of participating areas
or expansions or contractions of the unit area, should be
submitted to the Director of the Division for approval.

(4) That approval of the proposed unit agreement should
promote the prevention of waste and the protection of
correlative rights within the unit area.

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IT IS THEREFORE ORDERED:

(1) That the Lancaster Spring Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area 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 Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That all plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) 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; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

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

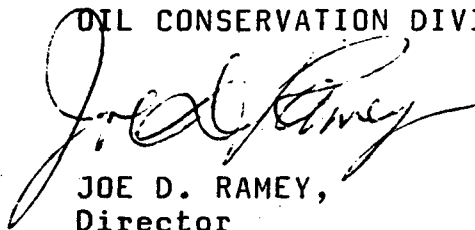
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

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A handwritten signature in cursive script, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY,
Director

S E A L

dr/