

PAUL BACA PROFESSIONAL COURT REPORTERS

OIL CONSERVATION DIVISION

EXHIBIT

1

WEST LOCO HILLS GRAYBURG NO. 4 SAND UNIT
Eddy County, New Mexico

Order No. R-2166, Approving the West Loco Hills Grayburg No. 4 Sand Unit, Eddy County, New Mexico, January 17, 1962.

Application of Newmont Oil Company for approval of the West Loco Hills Grayburg No. 4 Sand Unit Agreement, Eddy County, New Mexico.

CASE NO. 2472
Order No. R-2166

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 4, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 17th day of January, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, 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 applicant, Newmont Oil Company, seeks approval of the West Loco Hills Grayburg No. 4 Sand Unit Agreement covering 5,320 acres, more or less, in Townships 17 and 18 South, Ranges 29 and 30 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed West Loco Hills Grayburg No. 4 Sand 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 West Loco Hills Grayburg No. 4 Sand 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 West Loco Hills Grayburg No. 4 Sand Unit Area and such plan shall be known as the West Loco Hills Grayburg No. 4 Sand Unit Agreement Plan.

(3) That the West Loco Hills Grayburg No. 4 Sand 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 relative to the supervision and control of operations for the exploration and development of any lands committed to the West Loco Hills Grayburg No. 4 Sand Unit, or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 17 SOUTH, RANGE 29 EAST

Section 36: S/2 SW/4

TOWNSHIP 18 SOUTH, RANGE 29 EAST

Section 1: W/2 and S/2 SE/4

Section 2: All

Section 3: All

Section 4: E/2 SE/4

Section 9: E/2

Section 10: All

Section 11: All

Section 12: All

Section 13: NE/4

Section 15: NW/4, W/2 NE/4 and NE/4 NE/4

TOWNSHIP 18 SOUTH, RANGE 30 EAST

Section 7: W/2, W/2 SE/4 and SE/4 SE/4

Section 18: NW/4, W/2 NE/4, N/2 SE/4 and NE/4 SW/4 comprising 5,320 acres more or less.

(b) That the unit 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 Oil Conservation Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the West Loco Hills Grayburg No. 4 Sand Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion of the unit area, the unit operator shall file with the Commission within 30 days of such action 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.

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Section 3: All

Section 4: E/2 SE/4

Section 9: E/2

Section 10: All

Section 11: All

Section 12: All

Section 13: NE/4

Section 15: NW/4, W/2 NE/4 and NE/4 NE/4

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Correct acreage: 5307.73 acres

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