

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. 562  
ORDER NO. R-359

THE APPLICATION OF JOHN M. KELLY  
FOR APPROVAL OF A UNIT AGREEMENT  
EMBRACING THE SE/4 OF SECTION 8,  
TOWNSHIP 19 SOUTH, RANGE 37 EAST,  
NMPM, LEA COUNTY, NEW MEXICO, A  
TOTAL OF 160 ACRES, MORE OR LESS,  
DOWN TO AND INCLUDING THE DEPTH  
OF 3835' BELOW THE SURFACE, WHICH  
INCLUDES THE QUEEN GAS ZONE.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on August 20, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17<sup>th</sup> day of September, 1953, the Commission, a quorum being present, having considered said application and the testimony adduced in support thereof, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction in this cause and the subject matter thereof.
- (2) That the proposed unit plan will in principle tend to promote conservation of oil and gas, prevent waste, and protect correlative rights.

IT IS THEREFORE ORDERED:

SECTION 1: That the application for unitization of the SE/4 Section 8, Township 19 South, Range 37 East, NMPM, be and the same hereby is approved.

SECTION 2: That this order shall be known as the

Kelly-Huston Unit Agreement Order

SECTION 3: (a) That the project herein referred to shall be known as the Kelly-Huston 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 Kelly-Huston Unit Area referred to in the petitioner's application and filed with said application, and such plan shall be known as the Kelly-Huston Unit Agreement Plan.

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SECTION 4: That the Kelly-Huston Unit Agreement Plan be, and it hereby is approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement the 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 Commission by law relative to the supervision and control of operations for exploitation and development of any lands committed to said Kelly-Huston Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 5: (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Tw. 19 South, Rge. 37 East  
SE/4 Section 8

Total Area: 160 acres, more or less, to  
and including a depth of 3835<sup>+</sup> below the  
surface.

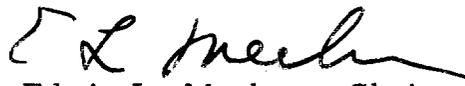
(b) The unit area may be enlarged by proper commitment, and after notice and hearing.

SECTION 6: That the unit operator shall file with the Commission an executed original or executed counterpart of the Kelly-Huston Unit Agreement within 30 days after the effective date of this order.

SECTION 7: That this order shall become effective as of the day and year hereinabove designated, 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 and enter proper releases of record in the office of the County Clerk of Lea County, New Mexico.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
Edwin L. Mechem, Chairman

  
E. S. Walker, Member

  
R. R. Spurrier, Member and Secretary

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