

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. 7945
Order No. R-7375

APPLICATION OF J. CLEO THOMPSON
FOR STATUTORY UNITIZATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 12, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 1983, 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, J. Cleo Thompson, seeks the statutory unitization of its proposed West Square Lake Unit Area covering 3320 acres, more or less, of State and Federal lands described as follows:

EDDY COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 26: SE/4 and S/2 NE/4

Section 32: E/2 SE/4 and SE/4 NE/4

Sections 33 through 35: All

Section 36: S/2

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 2: N/2 N/2

Section 4: N/2, SE/4, N/2 SW/4, and
SE/4 SW/4

(3) That the unitization is proposed for the purpose of instituting a secondary recovery project in the Grayburg and San Andres formations.

(4) That at the time of the hearing, all requisites for statutory unitization had not been accomplished and that part of the subject application should be dismissed.

(5) That the proposed unit should be approved as a voluntary unit agreement.

(6) 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.

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

IT IS THEREFORE ORDERED:

(1) That the West Square Lake Unit Agreement (voluntary) 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

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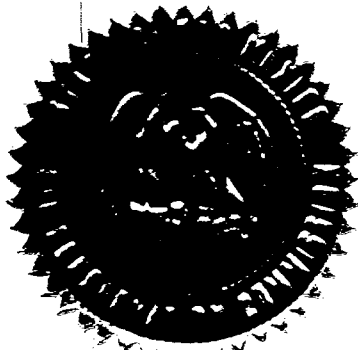
submitted to the Director of the Oil Conservation Division for approval.

(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 appropriate agency of the United States Department of Interior; 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 that portion of the subject application seeking statutory unitization of the West Square Lake Unit Area is hereby dismissed.

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

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

[Signature]
JOE D. RAMEY
Director

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