

Entered October 28, 1958
ALP

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1514
Order No. R-1257

THE APPLICATION OF CONTINENTAL OIL
COMPANY FOR THE APPROVAL OF ITS
TONGO DEEP UNIT AGREEMENT EMBRACING
2,000 ACRES, MORE OR LESS, LOCATED
IN TOWNSHIP 18 SOUTH, RANGE 34 EAST,
NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 2, 1958, at Santa Fe, New Mexico, before Elvis A. Utz,
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 16th day of October, 1958, the Commission,
a quorum being present, having considered the application, the
evidence adduced and the recommendations of the Examiner, Elvis A.
Utz, 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 proposed unit plan will in principle tend
to promote the conservation of oil and gas and the prevention of
waste.

IT IS THEREFORE ORDERED:

(1) That this order shall be known as the

TONGO DEEP UNIT AGREEMENT ORDER.

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

(3) That the Tonto Deep 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 right, 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 Tonto Deep Unit Agreement, or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 18 SOUTH, RANGE 34 EAST

Section 21: E/2
Section 22: All
Section 23: W/2 NW/4; SW/4
Section 27: All
Section 28: NE/4

containing 2,000 acres more or less.

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

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Tonto Deep Unit Agreement within 30 days after the effective date thereof.

(6) That the Tonto Deep Unit Agreement shall have applicability only to formations below a depth of six thousand feet from the surface.

(7) 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, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

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(8) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico, 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary

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