

*Entered October 22, 1959
C.P.*

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 CON-
SIDERING:

CASE NO. 1739
Order No. R-1493

THE APPLICATION OF SHELL OIL
COMPANY FOR APPROVAL OF THE
HENSHAW DEEP UNIT AGREEMENT
EMBRACING 4824 ACRES, MORE OR
LESS, LOCATED IN TOWNSHIP 16
SOUTH, RANGES 30 AND 31 EAST,
NMPM, EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959, 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 7th day of October, 1959, 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 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 HENSHAW DEEP UNIT AGREEMENT ORDER.

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

3. That the HENSHAW 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 HENSHAW 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 16 SOUTH, RANGE 30 EAST

Section 11:	S/2
Section 12:	S/2
Sections 13, 14, 23, 24, and 25:	All

TOWNSHIP 16 SOUTH, RANGE 31 EAST

Section 7:	SW/4
Section 18:	W/2
Section 19:	W/2
Section 30:	W/2

containing 4824 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 HENSHAW DEEP Unit Agreement within 30 days after the effective date thereof.

6. 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

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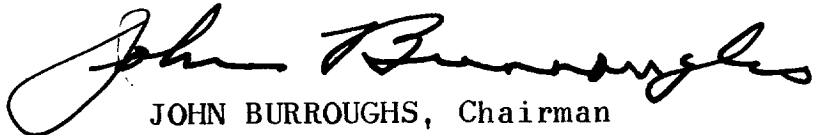
Order No. R-1493

shall file with the Commission within 30 days an original of any such counterpart or ratification.

7. 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 hereinabove designated.

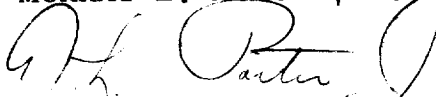
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN BURROUGHS, Chairman



MURRAY E. MORGAN, Member



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

S E A L

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