

*Entered December 10, 1959
A.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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1823
Order No. R-1540

THE APPLICATION OF THE OHIO OIL
COMPANY FOR APPROVAL OF THE LEA
UNIT AGREEMENT EMBRACING 2560
ACRES, MORE OR LESS, LOCATED IN
TOWNSHIP 20 SOUTH, RANGES 34 AND
35 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 November 30, 1959, at Santa Fe, New Mexico, before A. L. Porter, Jr., Secretary-Director, who served as Examiner in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of November, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr., 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 LEA UNIT AGREEMENT ORDER.

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

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3. That the Lea 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 Lea 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 20 SOUTH, RANGE 34 EAST

Section 11: E/2
Section 12: All
Section 13: All
Section 14: NE/4
Section 24: N/2

TOWNSHIP 20 SOUTH, RANGE 35 EAST

Section 18: Lots 1, 2, 3, and 4 and E/2 W/2
Section 19: Lots 1 and 2 and E/2 NW/4

containing 2560 acres more or less.

(b) The unit area 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 Lea 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 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.

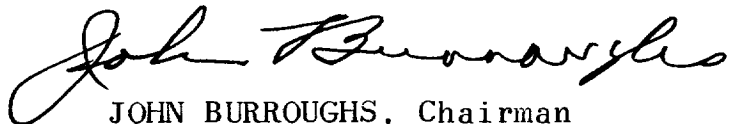
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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