

Entered September 1, 1960
A.H.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. 2060
Order No. R-1763

APPLICATION OF DRILLING AND EXPLORATION
COMPANY, INC., FOR APPROVAL OF THE
MESCALERO UNIT AGREEMENT, WHICH UNIT WILL
EMBRACE 4989 ACRES, MORE OR LESS, LOCATED
IN TOWNSHIPS 18 AND 19 SOUTH, RANGES 33
AND 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 August 24, 1960, 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 31st day of August, 1960, 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 MESCALERO UNIT AGREEMENT ORDER.

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

3. That the Mescalero 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 Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for exploration and development of any lands committed to said Mescalero 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 31: S/2

Section 32: SW/4

TOWNSHIP 19 SOUTH, RANGE 33 EAST

Section 1: E/2

Section 12: E/2

TOWNSHIP 19 SOUTH, RANGE 34 EAST

All of Sections 5, 6, 7, 8, 17, and 18

containing 4989 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 Mescalero 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.

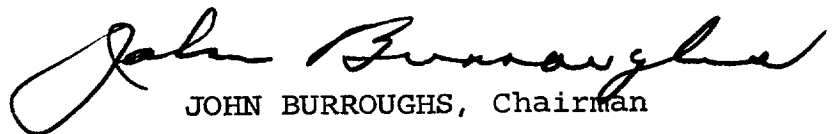
7. That this Order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and shall terminate ipso facto upon the termination

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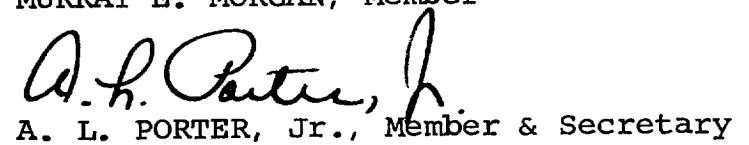
of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

S E A L

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