

*Entered March 21, 1961
A.L.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
CONSIDERING:

CASE No. 2214
Order No. R-1898

THE APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR APPROVAL OF THE KEEL DEEP
UNIT AGREEMENT, WHICH UNIT EMBRACES
6155.5 ACRES, MORE OR LESS, LOCATED IN
TOWNSHIP 17 SOUTH, RANGE 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
March 3, 1961, 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 9th day of March, 1961, 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 KEEL DEEP UNIT
AGREEMENT ORDER.

(2) (a) That the project herein referred to shall be known
as the Keel Deep Unit Agreement and shall hereinafter be referred
to as the "Project."

(b) That the Plan by which the project shall be oper-
ated shall be embraced in the form of a unit agreement for the
development and operation of the Keel Deep Unit Area, referred
to in the Petitioner's petition and filed with said petition,

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and such plan shall be known as the Keel Deep Unit Agreement Plan.

(3) That the Keel 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 Keel 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 17 SOUTH, RANGE 31 EAST

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|-------------|--------------|
| Section 3: | All |
| Section 4: | All |
| Section 5: | All |
| Section 6: | All |
| Section 7: | All |
| Section 8: | All |
| Section 9: | All |
| Section 10: | All |
| Section 16: | N/2 and SE/4 |
| Section 17: | N/2 |
| Section 18: | N/2 |

containing 6155.5 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 Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Keel 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 shall file with the Commission within 30 days an original of any such counterpart or ratification.

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(7) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and by 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



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member

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

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