

*Entered September 12, 1966
C.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 NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3449
Order No. R-3111

APPLICATION OF RAY SMITH DRILLING
COMPANY FOR APPROVAL OF THE SHUGART
18-QUEEN UNIT AGREEMENT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 7, 1966,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of September, 1966, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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 applicant, Ray Smith Drilling Company, seeks
approval of the Shugart 18-Queen Unit Agreement covering 264 acres,
more or less, of Federal land described as follows:

EDDY COUNTY, NEW MEXICO

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 13: N/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 18: Lots 2, 3, 4, and E/2 SW/4

(3) That approval of the proposed unit agreement should
promote the prevention of waste and the protection of correlative
rights within the unit area.

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IT IS THEREFORE ORDERED:

(1) That the Shugart 18-Queen Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby 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, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

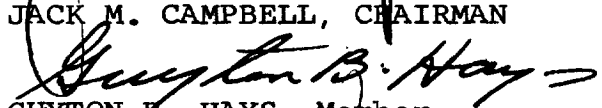
(4) That this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

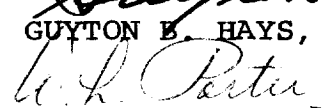
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, CHAIRMAN


GUYTON B. HAYS, Member


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

S E A L

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