

Entered October 24 1955
son

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. 953
Order No. R-706

THE APPLICATION OF THE UNION
OIL COMPANY OF CALIFORNIA FOR
THE APPROVAL OF THE QUEEN UNIT
AGREEMENT EMBRACING 17,384.19
ACRES, MORE OR LESS, LOCATED IN
TOWNSHIP 23 SOUTH, RANGE 21 EAST,
TOWNSHIP 24 SOUTH, RANGE 21 EAST,
AND TOWNSHIP 24 SOUTH, RANGE 22
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 15, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of October, 1955, the Commission, a quorum being present, having considered said application and the evidence introduced in support thereof, 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 tend to promote the conservation of oil and gas and the prevention of waste and that such plan is fair to the royalty owners in the area embraced thereby.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

QUEEN UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Queen Unit Agreement, and shall hereafter be referred to as the "Project".

-2-

Order No. R-706

(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 Queen Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Queen Unit Agreement Plan.

SECTION 3. That the Queen 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 Queen Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

TOWNSHIP 23 SOUTH, RANGE 21 EAST

Section 25: All
 Section 26: E/2
 Section 35: E/2
 Section 36: All

TOWNSHIP 24 SOUTH, RANGE 21 EAST

Section 1: Lots 1, 2, 3, 4 S/2 N/2, S/2 (All)
 Section 2: Lots 1, 2, 3, 4, S/2 N/2, S/2 (All)
 Section 11: All
 Section 12: All
 Section 13: All
 Section 14: All
 Section 22: SE/4
 Section 23: All
 Section 24: All
 Section 25: All
 Section 26: All
 Section 27: E/2

TOWNSHIP 24 SOUTH, RANGE 22 EAST

Section 6: Lots 1, 2, 3, 4, 5, 6, 7, SE/4 NW/4,
 S/2 NE/4, E/2 SW/4, SW/4 (All)
 Section 7: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)
 Section 8: All
 Section 9: W/2, SE/4
 Section 15: W/2, SE/4
 Section 16: All
 Section 17: All
 Section 18: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)
 Section 19: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)

-3-

Order No. R-706

TOWNSHIP 24 SOUTH, RANGE 22 EAST (Continued)

Section 20: All
 Section 21: All
 Section 22: All
 Section 29: All
 Section 30: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)

containing 17,384.19 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

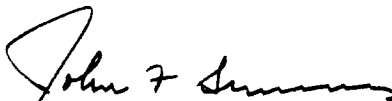
SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Queen Unit Agreement within 30 days after the effective date thereof.

SECTION 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 unit 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.

SECTION 7. That this order shall become effective on the first day of the calendar month next following the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate automatically 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 F. SIMMS, Chairman


 E. S. WALKER, Member


 W. B. MACEY, Member and Secretary

S E A L

ir/