

*Filed March 21, 1956
Worn*

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. 1028
Order No. R-770

THE APPLICATION OF MONSANTO
CHEMICAL COMPANY FOR APPROVAL
OF THE SOUTH MESCALERO UNIT
AGREEMENT EMBRACING 480 ACRES,
MORE OR LESS, IN LEA COUNTY,
NEW MEXICO, WITHIN TOWNSHIP 10
SOUTH, RANGE 32 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m.,
on the 7th day of March, 1956, at Santa Fe, New Mexico, before
the Oil Conservation Commission of New Mexico, hereinafter
referred to as the "Commission".

NOW, on this 12th day of March 1956, 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 in principle
tend to promote the conservation of oil and gas and the prevention
of waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

SOUTH MESCALERO UNIT AGREEMENT ORDER

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

SECTION 3. (a) That the South 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 obligation 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 South Mescalero Unit Agreement, or relative to the production of oil or gas therefrom.

(b) That the Unit Operator periodically shall file with the Commission a South Mescalero Unit Statement of Progress summarizing operations for the exploration and development of any lands committed to said South Mescalero Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the Unit Agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the South Mescalero Unit Area.

SECTION 4. That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

TOWNSHIP 10 SOUTH, RANGE 32 EAST
Section 34: W/2, SE/4

containing 480 acres, more or less.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the South Mescalero 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 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 upon approval of said unit agreement by the Commissioner of Public Lands of 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 Commissioner 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

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