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. 473 Order No. R-280

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THE APPLICATION OF TEXAS PACIFIC COAL AND OIL COMPANY FOR APPROVAL OF A PROPOSED UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF DRY LAKE UNIT AREA CONSISTING OF 1280 ACRES SITUATED IN TOWNSHIPS 13 AND 14 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at 9 o'clock a.m. February 17, 1953, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the Commission.

NOW, on this 27th day of February, 1953, the Commission, having before it for consideration the testimony adduced at the hearing of said case 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:

That the order herein shall be known as the:

DRY LAKE UNIT AGREEMENT ORDER

SECTION 1; (a) That the project herein shall be known as the Dry Lake 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 Dry Lake Unit Area referred to in the Petitioner's petition and filed with said -2-Case No. 473 Order No. R-280

petition, and such plan shall be known as the Dry Lake Unit Agreement Plan.

SECTION 2 That the Dry Lake Unit Agreement 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 of said agreement shall not be considered as waiving or relinquishing in any manner any rights, 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 Dry Lake Unit Agreement or relative to the production of oil or gas therefrom.

SECTION 3: (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Township 13 South, Range 32 East, Section 33 · All Township 14 South, Range 32 East, Section 4: All

Containing 1280 acres, more or less, all of which are state lands.

in said Plan.

(b) The Unit Area may be enlarged or contracted as provided

SECTION 4: That the Unit Operator shall file with the Commission an executed original or executed counterpart thereof of the Dry Lake Unit Agreement not later than 30 days after the effective date thereof.

SECTION 5: Thus 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. The unit operator shall file with the Commission within 30 days an original or any such counterpart.

SECTION 6: That this order shall become effective upon approval of the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto on the termination of said unit agreement. The last unit operator shall immediately notify the Commission, and the Commissioner of Public Lands, in writing of such termination.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Edwin L. Machem, Chairman E. S. Walker, Member R. R. Spurrier, Secretary

SEAL