

Entered May 4, 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. 3397  
Order No. R-3062

APPLICATION OF TEXACO INC. FOR APPROVAL  
OF THE SKAGGS GRAYBURG UNIT AGREEMENT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 27, 1966,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of May, 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, Texaco Inc., seeks approval of the  
Skaggs Grayburg Unit Agreement covering 880 acres, more or less,  
of Fee land described as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 12: SW/4 SW/4, E/2 SW/4, and SE/4

Section 13: NW/4, E/2 NE/4, NW/4 NE/4,  
and NE/4 SW/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 7: W/2 SW/4 and SE/4 SW/4

Section 18: W/2 NW/4, NE/4 NW/4,  
and NW/4 NE/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 Skaggs Grayburg 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.

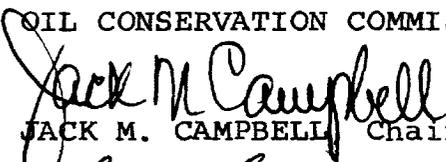
(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file 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 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

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