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. 563 ORDER NO. R-355

THE APPLICATION OF CONTINENTAL OIL COMPANY FOR APPROVAL OF THE BELL LAKE UNIT AGREEMENT EMBRACING 37,177.86 ACRES OF LAND MORE OR LESS, IN LEA COUNTY, NEW MEXICO, WITHIN TOWNSHIPS 22,23 AND 24S., RANGES 33 AND 34 E., NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o8Clock a. m. on August 20, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 38th da of August, 1953, 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

BELL LAKE UNIT AGREEMENT ORDER

<u>SECTION 2.</u> (a) That the project herein referred to shall be known as the Bell lake Unit Agreement, and shall hereafter be referred to as the "Project ".

(b) That the plan be which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Bell lake Unit Area **referred** to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Bell Lake Unit Agreement Plan.

<u>SECTION 3.</u> THAT THE BELL LAKE 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 approvalshall 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 Bell Lake Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPLA MERIADIAN

<u>T. 22S., R. 34 E.</u> Sec. 7: All

Secs. 18, 19, 20: All Secs 29 to 32, incl.: All -2-Case No. 563 ^Order No. R-355

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T. 22S., R. 33E Secs. 10 to 15, incl.: All Secs. 22 to 27, incl.,: All Secs. 35 and 36: All

<u>T. 23S., R. 33E.</u> Secs. 1 and 2: All Secs.11 to 13 incl.: All Secs. 24 and 25: All Sec. 36: All

<u>T. 23 S., R. 34E</u>. Secs. 5 to 8 incl.: All Secs 17 to 20 incl.: All Secs 29 to 32 incl.: All

T. 24S., R. 34E. Sed8. 5 to 8 incl.: All Sec. 16: W/2 Secs 17 to 20incl.: All Sec. 21: W/2

T. 24S., R.33E. Sec. 1: All Sec. 2: SE/4 Secs. 11 to 14 incl.: All Secs 23 and 24: ALL

Situated in Lea County, New Mexico, containing 37,177.86 acres, more or less.

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(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 Bell Lake 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 of 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 the Director of the United States Geological Survey, and shall terminate ipso facto 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

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary

SEAL