

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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. 609
Order No. R-405

IN THE MATTER OF THE APPLICATION OF
STANOLIND OIL & GAS COMPANY FOR
APPROVAL OF THE WELCH UNIT AGREEMENT FOR
THE DEVELOPMENT AND OPERATION OF A UNIT
AREA EMBRACING 18,694.16 ACRES, MORE OR LESS,
IN EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 20th day of January, 1954, the Commission, a quorum being present, 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 notice having been given as required by law, the Commission has jurisdiction of this case 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 WELCH UNIT AGREEMENT ORDER.'

SECTION 1: (a) That the project herein shall be known as the Welch 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 Welch Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Welch Unit Agreement Plan.

SECTION 2: That the Welch Unit Agreement Plan shall be and 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 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 Welch 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 26 South, Range 26 East

- Section 1: E/2 E/2
- Section 12: E/2 E/2
- Section 13: E/2
- Section 24: All
- Section 25: E/2 E/2

Township 25 South, Range 27 East

- Section 29: S/2
- Section 30: S/2
- Sections 31 and 32: All
- Section 33: W/2, S/E/4

Township 26 South, Range 27 East

- Section 3: S/2 NE/4, W/2, SE/4
- Sections 4 - 10, incl., all
- Section 11: W/2
- Section 14: W/2
- Sections 15 - 22, incl., all
- Section 23: W/2
- Section 26: NW/4
- Sections 27 - 30, incl., all
- Sections 31 - 34, incl. (fractional), all

(Total unit area embraces 18,694.16 acres, more or less.)

(b) The unit area may be enlarged or diminished, as provided in said plan.

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

SECTION 5: 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 a 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 on the first day of the calendar month next following the approval of the Commissioner of Public Lands and the Director of the United States Geological Survey and shall terminate ipso facto on 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, Member and Secretary

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