

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. 1081
Order No. R-847

THE APPLICATION OF SKELLY OIL
COMPANY FOR THE APPROVAL OF THE
WEST TATUM UNIT AGREEMENT
EMBRACING 1280 ACRES, MORE OR
LESS, LOCATED IN TOWNSHIP 12
SOUTH, RANGE 35 EAST, NMPM, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 14, 1956 at Santa Fe, New Mexico, before the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 14th day of August 1956, the Commission, a quorum being present, having considered the record and testimony adduced, 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:

1. That this order shall be known as the

WEST TATUM UNIT AGREEMENT ORDER

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

3. (a) That the West Tatum 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 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 West Tatum Unit Agreement, or relative to the production of oil and gas therefrom.

(b) That the unit operator periodically shall file with the Commission a West Tatum Unit Statement of Progress, summarizing operations for the exploration and development of any lands committed to said West Tatum 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 West Tatum Unit Area.

4. (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 12 SOUTH, RANGE 35 EAST

All Section 26

All Section 35

Situated in Lea County, New Mexico and containing 1280 acres more or less.

(b) The unit area may be enlarged as provided in said Plan.

5. That the unit operator shall file with the Commission an executed original or executed counterpart of the West Tatum Unit Agreement within 30 days after the effective date thereof.

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.

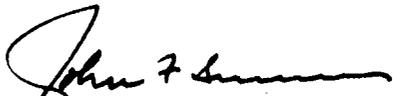
7. That this Order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands

-3-
Order No. R-847

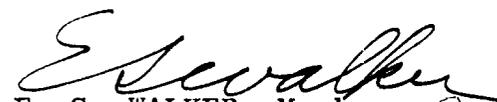
of the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN F. SIMMS, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

ir/