

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. 1960
Order No. R-1673

THE APPLICATION OF GULF OIL CORPORATION
FOR APPROVAL OF ITS NORTH CAVERNS UNIT
AGREEMENT, WHICH UNIT EMBRACES 6303 ACRES,
MORE OR LESS, LOCATED IN TOWNSHIPS 22 AND
23 SOUTH, RANGE 24 EAST, NMPM, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 11, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of May, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 NORTH CAVERNS UNIT AGREEMENT ORDER.
2. (a) That the project herein referred to shall be known as the North Caverns 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 North Caverns Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the North Caverns Unit Agreement Plan.

3. That the North Caverns 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 North Caverns Unit Agreement, or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 22 SOUTH, RANGE 24 EAST

Section 26: S/2
Section 27: S/2
Section 34: All
Section 35: All

TOWNSHIP 23 SOUTH, RANGE 24 EAST

Section 1: W/2
Section 2: All
Section 3: All
Section 10: All
Section 11: All
Section 12: W/2
Section 14: N/2, SW/4, W/2 SE/4
Section 15: All

containing 6303 acres more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan; provided, however, that administrative approval for expansion or contraction of the unit area must be obtained from the Secretary-Director of the Oil Conservation Commission. The initial participating area for any formation and any revisions thereof shall also be subject to approval by the Oil Conservation Commission.

5. That the unit operator shall file with the Commission an executed original or executed counterpart of the North Caverns 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

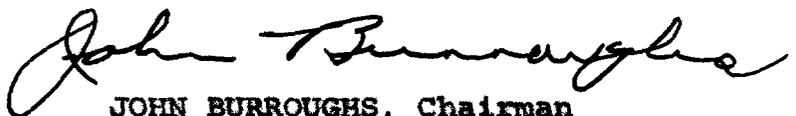
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effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

7. That this Order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands for 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 BURROUGHS, Chairman



MURRAY E. MORGAN, Member



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



esr/