

TEW:AW  
4/13/54  
M-79-54

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. 695  
ORDER NO. R-462

THE APPLICATION OF SHELL OIL COMPANY  
FOR APPROVAL OF THE SPENCER UNIT AGREEMENT  
EMBRACING 3,840 ACRES IN LEA COUNTY, NEW  
MEXICO, WITHIN TOWNSHIP 17 SOUTH, RANGE  
36 EAST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, N. M. on May 7, 1954,  
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,  
hereinafter referred to as the "Commission."

NOW, on this the 7<sup>th</sup> day of May, 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 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

SPENCER UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known  
as the Spencer 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 opera-  
tion of the Spencer Unit Area referred to in the Petitioner's petition and filed  
with said petition, and such plan shall be known as the Spencer Unit Agreement  
Plan.

SECTION 3. That the Spencer 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 Spencer Unit Agreement, or relative to the production of oil or gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 17 South, Rge. 36 East  
Sections 23, 24, 25, 26, 35  
and 36, Lea County, New Mexico.

Total unit area: 3840 acres, more or less.

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

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Spencer 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 as set out in Section 21 thereof. The unit operator shall file with the Commission within 30 days after execution thereof an original of any such counterpart or 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 shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner 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

By E. L. Mechem  
EDWIN L. MECHEM, Chairman

E. S. Walker  
E. S. WALKER, Member

R. R. Spurrer  
R. R. SPURRIER, Secretary