

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. 2407
Order No. R-2113

APPLICATION OF SHELL OIL COMPANY
FOR APPROVAL OF THE CABEZON UNIT
AGREEMENT, SANDOVAL COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 25, 1961, 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 3rd day of November, 1961, 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 applicant, Shell Oil Company, seeks approval of its proposed Cabezon Unit Agreement covering 22,742.57 acres, more or less, of Federal, State, and fee lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Sandoval County, New Mexico.

(3) That approval of the proposed Cabezon Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Cabezon Unit Agreement is hereby approved.

(2) That the Plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Cabezon Unit Area and such plan shall be known as the Cabezon Unit Agreement Plan.

(3) That the Cabezon Unit Agreement Plan 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 shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico relative to the supervision and control of operations for the exploration and development of any lands committed to the said Cabezón Unit, or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 16 NORTH, RANGE 2 WEST

Section 6: Lots 1, 2, 3 and 4, and that portion of the Ojo del Espiritu Santo Grant and the M. & S. Montoya Grant which would be included in Section 6 if the United States Survey were extended into said grants.

TOWNSHIP 17 NORTH, RANGE 2 WEST

Section 18: W/2

Section 19: NW/4, N/2 SW/4, Lots 1 and 2, and that portion of the M. & S. Montoya Grant which would be included in the W/2 of Section 19 if the United States Survey were extended into said grant.

Sections 30 and 31: Lots 1 and 2, and that portion of the M. & S. Montoya Grant which would be included in the W/2 of Sections 30 and 31 if the United States Survey were extended into said grant.

TOWNSHIP 16 NORTH, RANGE 3 WEST

Sections 1 through 4: All

TOWNSHIP 17 NORTH, RANGE 3 WEST

Section 9: S/2

Sections 10 through 17 and
19 through 36: All

TOWNSHIP 17 NORTH, RANGE 4 WEST

Sections 25 and 36: All

comprising 22,742.57 acres, more or less.

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(b) That the unit may be enlarged or contracted as provided in said Plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Oil Conservation Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Cabezon Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion of the unit area, the unit operator shall file with the Commission within 30 days of such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for 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 notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



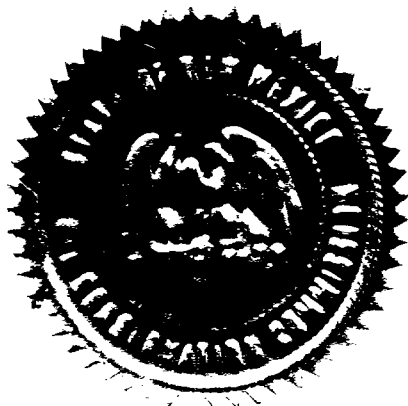
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



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