

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. 2499
Order No. R-2195

APPLICATION OF SHELL OIL COMPANY
FOR APPROVAL OF THE ROYAL UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 27, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, 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 6th day of March, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 Royal Unit Agreement, covering 1078.49 acres, more or less, of State and Fee lands in Sections 24 and 25, Township 10 South, Range 34 East, and Sections 19 and 30, Township 10 South, Range 35 East, NMPM, all in Lea County, New Mexico.

(3) That approval of the proposed Royal 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 Royal 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 Royal Unit Area and such plan shall be known as the Royal Unit Agreement Plan.

(3) That the Royal Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however,

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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 Royal Unit or relative to the production of oil and gas therefrom.

(4) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 10 SOUTH, RANGE 34 EAST

Section 24: E/2 and E/2 W/2

Section 25: NE/4 and E/2 NW/4

TOWNSHIP 10 SOUTH, RANGE 35 EAST

Section 19: Lots 1, 2, 3, and 4
and E/2 W/2

Section 30: Lot 1

comprising 1078.49 acres, more or less.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Royal Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party, 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 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

[Signature]
EDWIN L. MECHEM, Chairman

[Signature]
E. S. WALKER, Member

[Signature]
A. L. PORTER, Jr., Member & Secretary

esr/