

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. 2512
Order No. R-2207

APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF THE GALLEGOS-GALLUP
SAND UNIT AGREEMENT, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 28, 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 4th day of April, 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, Skelly Oil Company, seeks approval of the Gallegos-Gallup Sand Unit Agreement covering 22,997.51 acres, more or less, of Federal, State, Indian and fee lands in portions of Townships 26 and 27 North, Ranges 11, 12, and 13 West, NMPM, San Juan County, New Mexico.

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

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(3) That the Gallegos-Gallup Sand 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 Gallegos-Gallup Sand Unit, or relative to the production of oil and gas therefrom.

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

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TOWNSHIP 26 NORTH, RANGE 11 WEST

Section 5: S/2
Sections 6 through 9: All
Sections 16 through 21: All
Section 28: N/2
Section 29: N/2
Section 30: N/2

TOWNSHIP 26 NORTH, RANGE 12 WEST

Sections 1 through 5: All
Section 6: E/2 and NW/4
Sections 8 through 15: All
Section 16: N/2
Section 17: NE/4
Section 22: N/2
Sections 23 and 24: All
Section 25: NE/4

TOWNSHIP 26 NORTH, RANGE 13 WEST

Section 1: NE/4

TOWNSHIP 27 NORTH, RANGE 12 WEST

Section 30: S/2
Sections 31 through 33: All
Section 34: S/2

TOWNSHIP 27 NORTH, RANGE 13 WEST

Section 25: S/2
Section 26: S/2
Section 35: N/2
Section 36: All

comprising 22,997.51 acres, more or less.

(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 Commission.

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(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Gallegos-Gallup Sand Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by a party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter 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.

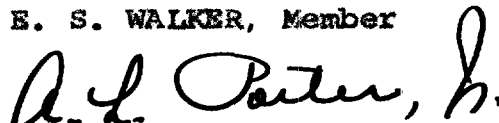
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

