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:

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CASE NO. 133 ORDER NO. 759

THE APPLICATION OF STANOLIND OIL AND GAS COMPANY, PETITIONER, FOR AN ORDER OF APPROVAL OF PROPOSED ROSA AREA UNIT AGREEMENT, THE UNIT AREA OF WHICH EMBRACES 54,209.49 ACRES, MORE OR LESS, IN TOWNSHIP 31 NORTH, RANGES 4,5, and 6 WEST AND TOWNSHIP 32 NORTH, RANGE 6 WEST, IN THE COUNTIES OF SAN JUAN AND RIO ARRIBA, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M., April 22, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this the 20 day of April, 1948, the Commission having before it for consideration the testimony and other evidence adduced at the hearing of said case and the application of petitioner and being fully advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste, and that such plan is fair to the royalty owners and other interest owners;

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"ROSA UNIT AGREEMENT ORDER"

SECTION 1. (a) That the project herein shall be known as the Rosa 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 unit agreement for the development and operation of the Rosa Unit Area referred to in the petitioner's application and as finally submitted to the Commission in definitive revised form as a part of the testimony adduced at said hearing of April 22, 1948; and such plan shall be known as the Rosa Unit Agreement Plan.

SECTION 2. That the Rosa Agreement Plan shall be and 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 of said agreement shall not be considered as waiving or relinquishing in any manner any rights, 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 Rosa Unit Agreement or relative to the production of oil and gas therefrom.

SECTION 3. (a) That the Unit area shall consist of:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO, (San Juan and Rio Arriba Counties)

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T. 31 N. R. 4W.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31:

T. 31 N. R. 5W.

Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36:

T. 31 N. R. 6 W.

Sections 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, 23, 24, 25, 26:

T. 32 N. R. 6 W.

Sections 32, 33, 34, 35, 36:

Total unit area 54,209.49 acres more or less.

(b) That the Unit area way be enlarged or diminished as provided in said plan.

SECTION 4. That the unit operator shall file with the Commission an executed original, or executed counterparts thereof, of the Rosa Unit Agreement not later than 30 days after the effective date thereof.

SECTION 5. 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 a counterpart thereof in the manner and with the effect therein expressly provided. The unit operator shall file with the Commission within 30 days thereafter an original of any such counterpart.

SECTION 6. That the order herein shall become effective as of the first day of the calendar month next following the approval of said Unit Agreement by the Commissioner of Public Lands and the Secretary of the Interior of the United States, and it shall terminate ipso facto upon the termination of said Unit Agreement. The last unit operator shall immediately notify the Commission in writing of any such termination.

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

OIL CONSERVATION COMMISSION CHAIRMAN

CHAIRMAN MEMBER SECRETARY