

NEW MEXICO OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF THE SUPERIOR OIL COMPANY FOR)
APPROVAL OF THE PROPOSED UNIT)
AGREEMENT FOR THE DEVELOPMENT)
AND OPERATION OF THE CANYON LARGO)
UNIT AREA EMBRACING APPROXIMATELY) APPLICATION FOR APPROVAL OF PROPOSED UNIT AGREEMENT
73,381.34 ACRES OF LANDS IN)
TOWNSHIPS 24 AND 25 NORTH, RANGES)
6 AND 7 WEST, RIO ARRIBA COUNTY)
NEW MEXICO:)

COMES NOW The Superior Oil Company and petitions the State of New Mexico Oil Conservation Commission for approval of the above captioned Unit Agreement, and, in support thereof, alleges as follows:

1. That land covered by the said proposed Unit Agreement is described as follows:

New Mexico Principal Meridian, New Mexico

T. 24 N., R. 6 W.

Secs. 1 through 36: All

T. 25 N., R. 6 W.

Secs. 1 through 36: All

T. 24 N., R. 7 W.

Secs. 1 through 13: All
Sec. 24: All

T. 25 N., R. 7 W.

Secs. 1 through 4: All
Secs. 9 through 16: All
Secs. 21 through 36: All

Rio Arriba County, New Mexico

2. That the said land hereinabove described has been designated by the United States Geological Survey as constituting an area logical for Unitization.
3. That Exhibit A, attached hereto and by this reference made a part hereof, is a true copy of a letter from the United States Department of the Interior (Geological Survey) approving the said Unit area; that the red outline on Exhibit B attached hereto and hereinafter

referred to is an outline of the Unit area approved by said letter as will be more fully explained by oral testimony.

4. That Exhibit B, attached hereto, and by this reference made a part hereof, is a geophysical (magnetometer) survey of the said Unit area.

5. That substantially all of the geological feature which is the subject of this application is covered by the said Unit Agreement.

6. That the Unit Agreement will afford effective control of said structural feature.

7. That your petitioner is designated by the said Unit Agreement as "Operator."

8. That, as Operator, your petitioner has authority to, and will, begin to drill an adequate test well on the unitized lands, the objective horizon of which will be the Dakota formation, or a maximum depth of 7400 feet, pursuant to paragraph 9 of said Unit Agreement, entitled "Drilling to Discovery."

9. That your petitioner, as of May 6, 1953, is drilling a well in the NW $\frac{1}{4}$ of Section 3, Township 25 North, Range 7 West, Rio Arriba County, New Mexico, upon lands covered by the said Unit, to test the Pictured Cliffs formation, and is conducting actual drilling operations on a second well, located in the SE $\frac{1}{4}$ of Section 5, Township 25 North, Range 6 West, also upon lands covered by said Unit Agreement, to test the Pictured Cliffs formation.

10. That the said test to the Dakota formation, referred to in paragraph 8 hereof, is not economically feasible without unitization.

11. That the form of the said Unit Agreement will afford more economical and efficient operations, resulting in the greatest maximum recovery of unitized substances in the interest of conservation, as is contemplated by the statutes of the State of New Mexico and the regulations promulgated thereunder.

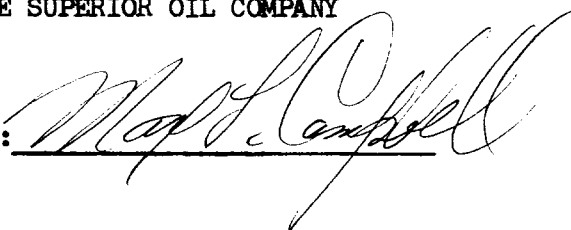
12. That, upon approval by the State of New Mexico and the Director of the United States Geological Survey, your petitioner will file with the New Mexico Oil Conservation Commission an executed and approved copy of the said Unit Agreement.

WHEREFORE, your petitioner respectfully requests a public hearing, an opportunity to present evidence supporting the allegations contained herein, and approval of the said Unit Agreement.

Dated at Denver, Colorado, this 6 day of May, 1953.

THE SUPERIOR OIL COMPANY

by:

A handwritten signature in cursive script, appearing to read "Mark L. Campbell", is written over a horizontal line.

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. 541
ORDER NO. R-327

THE APPLICATION OF THE SUPERIOR OIL
COMPANY FOR APPROVAL OF THE CANYON LARGO
UNIT AGREEMENT EMBRACING 73,381.34 ACRES OF
LAND, MORE OR LESS, IN RIO ARriba COUNTY, NEW
MEXICO, WITHIN TOWNSHIPS 24 AND 25 NORTH,
RANGES 6 AND 7 WEST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for special hearing at 9 o'clock a.m. on June 2, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 2nd day of June, 1953, the Commission, a quorum being present, having considered said application and the evidence introduced in support thereof, 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

CANYON LARGO UNIT AGREEMENT ORDER.

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

SECTION 3. That the Canyon Largo 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 Canyon Largo Agreement, or relative to the production of oil or gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

Township 24 North, Range 6 West
Sects. 1 through 36, all

Township 25 North, Range 6 West
Sects. 1 through 36, all

Township 24 North, Range 7 West
Sects. 1 through 13, all;
Sect. 24, all

Township 25 North, Range 7 West
Sects. 1 through 4, all;
Sects. 9 through 16, all;
Sects. 21 through 36, all

Situated in Rio Arriba County, New Mexico, containing 73,381.34 acres of land, more or less.

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

SECTION 5: That the unit operator shall file with the Commission an executed original or executed counterpart of the Canyon Largo 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 unit agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days 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 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 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


Edwin L. Mechem, Chairman


E. S. Walker, Member


R. R. Spurrier, Secretary

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