

**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:**

**CASE NO. 1184
Order No. R-938**

**THE APPLICATION OF HAROLD KERSEY,
dba KERSEY AND COMPANY, FOR THE
APPROVAL OF ITS RED LAKE PREMIER
SAND UNIT AGREEMENT EMBRACING 1760
ACRES, MORE OR LESS, LOCATED IN
TOWNSHIP 17 SOUTH, RANGE 28 EAST,
NMPM, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on November 28, 1956, at Hobbs, 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 16th day of January, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced, 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 proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

1. That this order shall be known as the

RED LAKE PREMIER SAND UNIT AGREEMENT ORDER

2. (a) That the project herein referred to shall be known as the Red Lake Premier Sand 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 a unit agreement for the development and operation of the Red Lake Premier Sand Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Red Lake Premier Sand Unit Agreement Plan.

3. (a) That the Red Lake Premier Sand 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 Red Lake Premier Sand Unit Agreement, or relative to the production of oil and gas therefrom.

(b) That water injection into the Premier Sand of the Red Lake Pool within the Red Lake Premier Sand Unit Area is hereby authorized for purposes of secondary recovery. Provided, however, that a plan of operation containing the information required by paragraph (b) of Rule 701 of the Commission Rules and Regulations shall be submitted to the Commission for its approval prior to the inauguration of the initial pilot flood or any subsequent expansion thereof.

(c) That each month's operations shall be reported to the Commission on Form C-120 (Monthly Injection Report) in accordance with Rule 704 and 1119 of the Commission Rules and Regulations.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 17 SOUTH, RANGE 28 EAST

Section 19: SE/4
Section 20: NE/4 NW/4, S/2 NW/4, NE/4, S/2
Section 21: SW/4 NW/4, SW/4, W/2 SE/4
Section 28: NW/4, NW/4 NE/4, NW/4 SW/4
Section 29: N/2
Section 30: NE/4

containing 1760 acres, more or less, all in Eddy County, New Mexico.

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

5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Red Lake Premier Sand Unit Agreement within 30 days after the effective date thereof.

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

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subscribing to such 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.

7. That this Order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission 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



MURRAY E. MORGAN, Member



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



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