

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. 2672  
Order No. R-2352

APPLICATION OF SKELLY OIL COMPANY  
FOR APPROVAL OF THE WEST DOLLARHIDE  
QUEEN SAND 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 October 24, 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 31st day of October, 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 West Dollarhide Queen Sand Unit Agreement covering 2,562.52 acres, more or less, of State, Federal and Fee lands in Townships 24 and 25 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That approval of the proposed West Dollarhide Queen 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 West Dollarhide Queen 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 West Dollarhide Queen Sand Unit Area, and such plan shall be known as the West Dollarhide Queen Sand Unit Agreement Plan.

(3) That the West Dollarhide Queen 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 by law relative to the supervision and control of operations for the exploration and development of any lands committed to the West Dollarhide Queen Sand Unit, or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 24 SOUTH, RANGE 38 EAST

Section 19: S/2 SW/4 and SW/4 SE/4  
Section 29: SW/4 NW/4 and W/2 SW/4  
Section 30: W/2, W/2 NE/4, SE/4 NE/4, and SE/4  
Section 31: N/2 NW/4, SE/4 NW/4, NE/4 SW/4,  
and E/2  
Section 32: NW/4, SW/4 NE/4, and S/2  
Section 33: SW/4 SW/4

TOWNSHIP 25 SOUTH, RANGE 38 EAST

Section 4: W/2 NW/4  
Section 5: N/2 and N/2 S/2  
Section 6: N/2 NE/4 and SE/4 NE/4

containing 2,562.52 acres, more or less.

(b) That the unit area 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.

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

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(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.

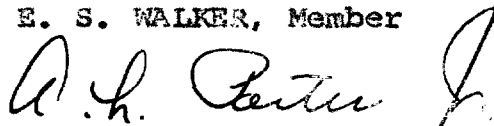
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/