

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. 4480
Order No. R-3220-A

APPLICATION OF COASTAL STATES GAS
PRODUCING COMPANY FOR EXPANSION OF
A UNIT AREA, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 6, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of January, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 by Order No. R-3220, dated April 26, 1967, the Commission approved the Flying "M" San Andres Unit Agreement covering 4080 acres, more or less, of State, Federal, and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

Section 15: W/2 W/2
Sections 16 and 17: All
Section 20: E/2 and E/2 NW/4
Section 21: All
Section 22: W/2 W/2
Section 27: W/2 NW/4
Section 28: N/2, SW/4, and W/2 SE/4

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LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 29: E/2 and E/2 W/2
Section 32: NE/4 and E/2 NW/4
Section 33: W/2 NW/4

(3) That said unit was subsequently expanded on October 30, 1967, to include therein the following-described lands:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33, EAST, NMPM
Section 27: W/2 SW/4
Section 28: E/2 SE/4

(4) That the applicant, Coastal States Gas Producing Company, now seeks the expansion of said Flying "M" San Andres Unit Area to include 879.48 additional acres more or less, of Federal, State, and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 29: W/2 W/2
Section 32: W/2 NW/4
Section 33: NE/4, E/2 NW/4, and SE/4
Section 34: W/2 NW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 4: NE/4

(5) That the proposed expansion of said Flying "M" San Andres Unit Area should promote the prevention of waste and protection of correlative rights within the unit area as expanded.

IT IS THEREFORE ORDERED:

(1) That the Flying "M" San Andres Unit Agreement, as amended to include the acreage described in Finding (4), above, is hereby approved.

(2) That the plan contained in said unit agreement, as amended, for the development and operation of the unit area is hereby approved in principle as a proper conservation measure;

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provided, however, that notwithstanding any of the provisions contained in said unit agreement, as amended, 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 Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the amendment to the unit agreement within 30 days after the effective date thereof; that 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.

(4) That this order shall become effective upon the approval of the aforesaid amendment to the Flying "M" San Andres Unit Agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

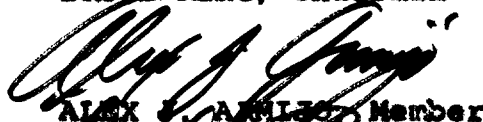
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



BRUCE KING, Chairman



ALEX J. ARILLO, Member



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

