

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. 6117
Order No. R-5618

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR APPROVAL OF THE SOUTH CULEBRA BLUFF
UNIT AGREEMENT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 4, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of January, 1978, 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 the applicant, Amoco Production Company, seeks
approval of the South Culebra Bluff Unit Agreement covering 1,280
acres, more or less, of Federal and Fee lands described as follows:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 13: W/2
Section 14: E/2
Section 23: E/2
Section 24: W/2

(3) That Delta Drilling Company should be named unit
operator.

(4) That all plans of development and operation should be
submitted to the Secretary-Director of the Oil Conservation
Commission for approval, as well as to the Oil and Gas Supervisor
of the United States Geological Survey.

(5) That approval of the proposed unit agreement should
promote the prevention of waste and the protection of correlative
rights within the unit area.

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Case No. 6117

Order No. R-5618

IT IS THEREFORE ORDERED:

(1) That the South Culebra Bluff Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area 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 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 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.

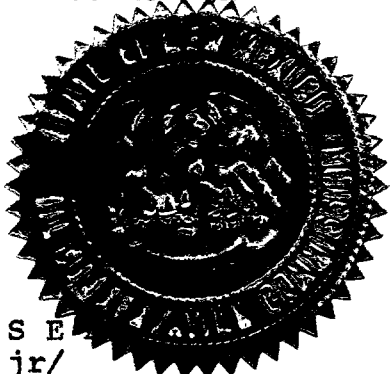
(4) That Delta Drilling Company is hereby designated unit operator.

(5) That all plans of development and operation shall be submitted to the Secretary-Director of the Oil Conservation Commission for approval.

(6) That this order shall become effective upon the approval of said unit agreement by 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.

(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

Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

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jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE EMERGENCY
APPROVAL OF AN AMOCO PRODUCTION
COMPANY UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

EMERGENCY ORDER NO. E-31

NOW, on this 27th day of December, 1977, the New Mexico Oil Conservation Commission, a quorum being present, having considered the necessity for the emergency approval of the South Culebra Bluff Unit Area, and being fully advised in the premises,

FINDS:

(1) That Amoco Production Company has applied to the United States Geological Survey for approval of its South Culebra Bluff unit area, comprising 1280 acres, more or less, of federal and fee lands in Township 23 South, Range 28 East, Eddy County, New Mexico.

(2) That the United States Geological Survey designated this area as a "logical unit area" by letter dated October 12, 1977.

(3) That Amoco Production Company has submitted its unit agreement, in a form prescribed by the Code of Federal Regulations, to the United States Geological Survey.

(4) That Amoco has begun drilling in said unit to prevent certain leases from expiring.

(5) That according to the unit agreement, the drill bit cannot penetrate the objective horizon prior to approval of the agreement.

(6) That the United States Geological Survey requires Oil Conservation Commission approval before it will grant its own approval of the agreement.

(7) That the date projected for penetrating the Pennsylvanian formation is January 3, 1978.

(8) That the earliest hearing date available before the Oil Conservation Commission is January 4, 1978.

EMERGENCY ORDER NO. E-31

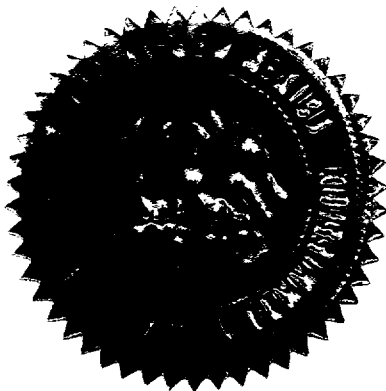
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IT IS THEREFORE ORDERED:

(1) That the Amoco Production Company unit agreement for the South Culebra Bluff Unit Area, comprising 1280 acres, more or less, of federal and fee lands in Township 23 South, Range 28 East, Eddy County, New Mexico, is hereby approved.

(2) That this order shall become effective at 12:01 a.m. Mountain Standard Time, December 27, 1977, and shall remain in effect for not more than 15 days.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emory C. Arnold
EMORY C. ARNOLD, Member

John D. Raney
JOHN D. RANEY, Member & Secretary

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