

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. 161

ORDER NO. 796

THE APPLICATION OF MAGNOLIA PETROLEUM
COMPANY FOR AN ORDER APPROVING A PROPOSED
UNIT AGREEMENT FOR THE DEVELOPMENT AND
OPERATION OF THE CASS RANCH UNIT AREA
CONSISTING OF 10,230.27 ACRES SITUATED
IN TOWNSHIPS 19 AND 20 SOUTH, RANGES 23
AND 24 EAST, N.M.P.M. EDDY COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m. October 28, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of November, 1948, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises:

FINDS 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:

That the order herein shall be known as the:

"CASS RANCH UNIT AGREEMENT ORDER"

SECTION 1. (a) That the project herein shall be known as the Cass Ranch 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 unit agreement for the development and operation of the Cass Ranch Unit Area referred to in the Petitioner's petition and filed with said petition and such plan shall be known as the Cass Ranch Unit Agreement Plan.

SECTION 2. That the Cass Ranch Unit Agreement Plan shall be and 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 of said agreement shall not be considered as waiving or relinquishing in any manner any rights, 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 Cass Ranch Unit Agreement or relative to the production of oil or gas therefrom.

SECTION 3. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

- T.20 S, R.23 E - Section 13 - NE $\frac{1}{4}$
- T.19 S, R.24 E - Section 26 - S $\frac{1}{2}$
Sections 27 and 28 - All
Sections 31 to 34, incl. - All
Section 35 - N $\frac{1}{2}$, SW $\frac{1}{4}$
- T.20 S, R.24 E - Sections 3 to 9, incl. - All
Section 10 - W $\frac{1}{2}$
Section 17 - N $\frac{1}{2}$
Section 18 - Lots 1 and 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

Eddy County, New Mexico, containing 10,230.27 acres, more or less.

(b) The Unit Area may be enlarged or diminished as provided in said Plan.

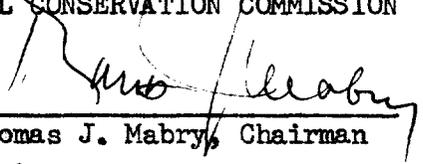
SECTION 4. That the unit operator shall file with the Commission an executed original or executed counterpart thereof of the Cass Ranch Unit Agreement not later than 30 days after the effective date hereof.

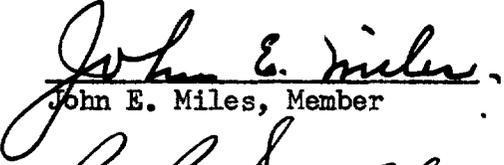
SECTION 5. That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or a counterpart thereof. The Unit Operator shall file with the Commission within 30 days an original or any such counterpart.

SECTION 6. That this order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands and the Secretary of the Interior and shall terminate ipso facto on 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


Thomas J. Mabry, Chairman


John E. Miles, Member


R. R. Spurrer, Secretary