

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. 468

ORDER NO. R-257

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY, A DELAWARE
CORPORATION, FOR APPROVAL OF THE SAN
JUAN 32-4 UNIT AGREEMENT EMBRACING
17,111.44 ACRES IN TOWNSHIP 32 NORTH,
RANGE 4 WEST, N.M.P.M., RIO ARRIBA
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 O'clock AM on January 15, 1953,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 16th day of January 1953, the Commission, a quorum
being present, having considered said application and the evidence introduced
in support thereof, 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:

SECTION 1. That this order shall be known as the

SAN JUAN 32-4 UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known
as the San Juan 32-4 Unit Agreement, and shall hereafter be known 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 San Juan 32-4 Unit Area referred to in the Applicant's
application and filed with said application, and such plan shall be known as
the San Juan 32-4 Unit Agreement Plan.

SECTION 3. That the San Juan 32-4 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 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 San Juan 32-4 Unit Agreement, or relative to the production
of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

All of Township 32 North, Range
4 West, Rio Arriba County, New
Mexico

Total Unit Area: 17,111.44 acres, more or less.

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

SECTION 5. That the unit operator shall file with the Commission an executed original or counterpart of the San Juan 32-4 Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That any party owning rights in the unitized substances who does not now commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto in accordance with the terms and conditions of the unit agreement by subscribing to such agreement or counterpart thereof or by ratifying the same and, if the owner of a working interest, by joinder in the related unit operating agreement in accord with the provisions thereof. The unit operator shall file with the Commission within 30 days a duplicate original of any such counterpart or ratification.

SECTION 7. That this order shall become effective upon approval of said unit agreement by 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 immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary