

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. 420  
ORDER NO. R-205

IN THE MATTER OF THE APPLICATION  
OF PHILLIPS PETROLEUM COMPANY,  
A DELAWARE CORPORATION, FOR  
APPROVAL OF THE SAN JUAN 32-7  
UNIT AGREEMENT, EMBRACING 17,828.51  
ACRES, MORE OR LESS, IN TOWNSHIPS 31  
and 32 NORTH, RANGES 6 and 7 WEST, SAN  
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on October 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 20<sup>th</sup> day of October, 1952, 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 32-7 UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the San Juan 32-7 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 a unit agreement for the development and operation of the San Juan 32-7 Unit Area referred to in the Applicant's Application and filed with said application, and such plan shall be known as the San Juan 32-7 Unit Agreement Plan.

SECTION 3. That the San Juan 32-7 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 32-7 Unit Agreement, or

relative to the production of oil or gas therefrom.

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

Township 32 North, Range 7 West, NMPM  
Fractional Section 9: Lot 4, W/2 SW/4  
Fractional Sections 7 & 8: All  
Secs. 17, 18, 19, 20, 21, 22, 27, 28, 29,  
30, 31, 32, 33, 34, 35, 36: All  
Sec. 16, W/2; Sec. 23, SW/4; Sec. 25, S/2;  
Sec. 26, W/2, SE/4.

Township 32 North, Range 6 West, NMPM  
Sec. 31: Lots 2, 3, 4, SE/4 NW/4, E/2 SW/4,  
S/2 SE/4.

Township 31 North, Range 7 West, NMPM  
Fractional Secs. 2, 3, 4, 5, 6: All  
Secs. 7, 8, 17, 18: All; Sec. 9, N/2;  
Sec. 10, N/2; Tracts 53, 54 & 55.

Total unit area: 17,828.51 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 executed counterpart of the San Juan 32-7 Unit Agreement within 30 days after the effective date thereof.

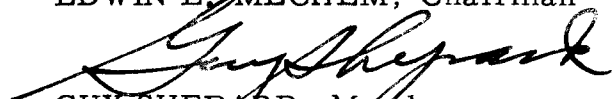
SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same and, if the owner of a working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

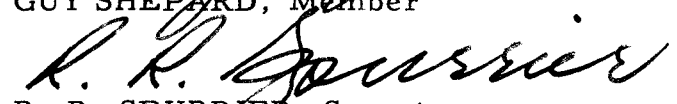
SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner 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

  
EDWIN L. MECHEM, Chairman

  
GUY SHEPARD, Member

  
R. R. SPURRIER, Secretary