

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. 2181
Order No. R-1871

THE APPLICATION OF GULF OIL
CORPORATION FOR THE APPROVAL
OF THE HACKBERRY HILLS UNIT
AGREEMENT EMBRACING 13,920
ACRES, MORE OR LESS, LOCATED
IN TOWNSHIPS 21 AND 22 SOUTH,
RANGES 25 AND 26 EAST, NMPM,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 8, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 15th day of February, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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:

- (1) That this order shall be known as the HACKBERRY HILLS UNIT AGREEMENT ORDER.
- (2) (a) That the project herein referred to shall be known as the Hackberry Hills Unit Agreement and shall hereinafter 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 Hackberry Hills Unit Area,

CASE No. 2181
Order No. R-1871

referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Hackberry Hills Unit Agreement Plan.

(3) That the Hackberry Hills 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 right, 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 Hackberry Hills Unit Agreement, or relative to the production of oil and gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 21 SOUTH, RANGE 25 EAST

Section 25: S/2
Section 26: S/2
Section 27: SE/4
Section 34: E/2
Section 35: All
Section 36: All

TOWNSHIP 21 SOUTH, RANGE 26 EAST

Section 31: All
Section 32: W/2

TOWNSHIP 22 SOUTH, RANGE 25 EAST

Section 1: All
Section 2: All
Section 3: E/2
Section 11: NE/4
Section 12: N/2 and SE/4

TOWNSHIP 22 SOUTH, RANGE 26 EAST

Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: W/2 and SE/4
Section 10: SW/4
Section 14: SW/4
Section 15: All
Section 16: All
Section 17: All
Section 18: NE/4
Section 21: N/2 and SE/4

-3-

CASE No. 2181
Order No. R-1871

Section 22: All
Section 23: All
Section 26: All
Section 27: N/2 and SE/4

containing 13,920 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan, provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Hackberry Hills Unit Agreement within 30 days after the effective date thereof.

(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. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

(7) That this order shall become effective upon the approval of said unit agreement by the United States Geological Survey and by the Commissioner of Public Lands for the State of New Mexico, 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 day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



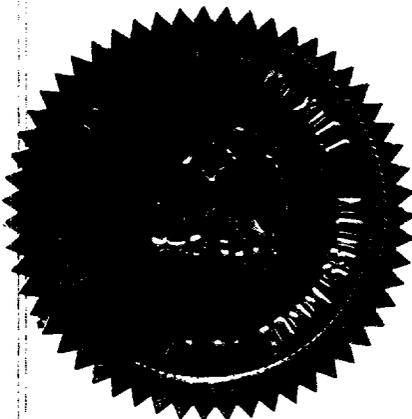
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/