

Entered April 10, 1958
A.S.

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. 1395
Order No. R-1145

THE APPLICATION OF GRARIDGE CORPORATION
FOR THE APPROVAL OF THE NORTH CAPROCK
QUEEN UNIT AGREEMENT EMBRACING 2,887
ACRES, MORE OR LESS, LOCATED IN TOWNSHIP
12 SOUTH, RANGE 31 EAST, AND TOWNSHIP 12
SOUTH, RANGE 32 EAST, AND TOWNSHIP 13
SOUTH, RANGE 32 EAST, NMPM, CHAVES AND
LEA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 19, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of April, 1958, 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.

(3) That the proposed plan will lead to a more efficient and orderly development and operation of the present pilot water flood in the subject area as well as the expected expansion thereof.

IT IS THEREFORE ORDERED:

1. That this order shall be known as the

NORTH CAPROCK QUEEN UNIT AGREEMENT ORDER

2. (a) That the project herein referred to shall be known as the North Caprock Queen 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 North Caprock Queen Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the North Caprock Queen Unit Agreement Plan.

3. (a) That the North Caprock Queen Unit Agreement Plan for secondary recovery operations 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 any lands committed to said North Caprock Queen Unit Agreement relative to the production of oil and gas therefrom.

(b) That the unit operator periodically shall file with the Commission a North Caprock Queen Unit Statement of Progress, summarizing the operations of said North Caprock Queen Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the North Caprock Queen Unit Area.

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

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 12 SOUTH, RANGE 31 EAST

Section 36: SE/4, SE/4 SW/4, and S/2 NE/4

TOWNSHIP 12 SOUTH, RANGE 32 EAST

Section 29: SW/4 SW/4

Section 30: S/2 SE/4

Section 31: SE/4, NE/4, NE/4 NW/4, E/2
SW/4, and Lots 3 and 4

Section 32: SW/4, NW/4, SW/4 NE/4, and NW/4
SE/4

TOWNSHIP 13 SOUTH, RANGE 32 EAST

Section 5: SW/4 NW/4, NW/4 SW/4, and Lots
3 and 4

Section 6: S/2 NE/4, SE/4 NW/4, E/2 SW/4,
SE/4, and Lots 1, 2, 3, 4, 5,
6, and 7

Section 7: NE/4, SE/4, E/2 SW/4, and E/2 NW/4

Section 8: SW/4, S/2 NW/4, and NW/4 NW/4

containing 2887 acres more or less, in Chaves and Lea Counties,
New Mexico.

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

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5. That the unit operator shall file with the Commission an executed original or executed counterpart of the North Caprock Queen 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 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.

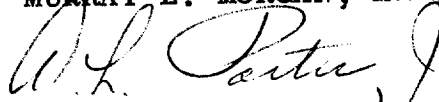
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

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