Entered Colone - 2, 1959 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 CON-SIDERING: CASE NO. 1769 Order No. R-1494 THE APPLICATION OF PAN AMERICAN PETROLEUM CORPORATION FOR APPROVAL OF THE NORTHEAST HOGBACK UNIT AGREEMENT EMBRACING 10,572 ACRES, MORE OR LESS, LOCATED IN TOWNSHIP

30 NORTH, RANGE 16 WEST, NMPM, 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 September 30, 1959 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 19th day of October, 1959, the Commission, a quorum being present, having considered 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 NORTHEAST HOGBACK UNIT AGREEMENT ORDER.
- 2. (a) That the project herein referred to shall be known as the NORTHEAST HOGBACK Unit Agreement and shall hereinafter be referred to as the "Project."

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- (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 NORTHEAST HOG-BACK Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the NORTHEAST HOGBACK Unit Agreement Plan.
- 3. That the NORTHEAST HOGBACK 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 NORTHEAST HOGBACK 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 30 NORTH, RANGE 16 WEST

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E/2
Section 11:
Section 12:
                        A11
Section 13:
                        A11
Section 14:
                        A11
Section 15:
                        A11
                        Lots 3, 4, E/2 SW/4, SE/4
Lots 1 to 16 inclusive
Section 16:
Section 21:
Section 22:
                        A11
Section 23:
                        A11
Section 24:
                        A11
Section 25:
                        A11
                        A11
Section 26:
Section 27:
Section 28:
                        A11
                        Lots 1 to 16 inclusive
                        Lots 1 to 7 inclusive, E/2 NW/4,
Section 33:
                        NE/4, N/2 SE/4, NE/4 SW/4
                        A11
Section 34:
Section 35: Section 36:
                        A11
                        A11
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containing 10,571.86 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 of the unit area must also be obtained from the Secretary-Director of the Oil Conservation Commission of New Mexico.

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- 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the NORTHEAST HOGBACK 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 Director of the United States Geological Survey and 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

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

SEAL

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