

*Entered August 19, 1960
A.P.*

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. 2031
Order No. R-1728

THE APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR APPROVAL OF THE
SOUTH CAPROCK QUEEN UNIT AGREEMENT,
WHICH UNIT WILL EMBRACE 9526 ACRES,
MORE OR LESS, LOCATED IN TOWNSHIPS
14 AND 15 SOUTH, RANGES 30 AND 31
EAST, NMPM, CHAVES COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 27, 1960, 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 4th day of August, 1960, 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 SOUTH CAPROCK QUEEN UNIT AGREEMENT ORDER.

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

3. That the South Caprock Queen 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 South Caprock Queen 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 14 SOUTH, RANGE 31 EAST

Section 22: SW/4 SE/4, E/2 SE/4
Section 23: W/2 SW/4
Section 26: W/2 W/2
Section 27: All
Section 28: All
Section 29: NE/4, E/2 SE/4, NW/4 SE/4
Section 32: E/2 SE/4, SW/4 SE/4
Section 33: All
Section 34: All
Section 35: W/2 NW/4, NW/4 SW/4

TOWNSHIP 15 SOUTH, RANGE 31 EAST

Section 3: Lots 1, 2, 3, 4, S/2 N/2,
W/2 SW/4, NE/4 SW/4
Section 4: All
Section 5: Lots 1, 2, S/2 NE/4, SE/4, SW/4,
Lot 3, SE/4 NW/4, SW/4 NW/4
Section 6: E/2 SE/4
Section 7: E/2 NE/4, SE/4 SE/4
Section 8: All
Section 9: NW/4, W/2 NE/4, NE/4 NE/4,
W/2 SW/4, NE/4 SW/4
Section 16: NW/4 NW/4
Section 17: All
Section 18: E/2 NE/4, SE/4
Section 19: E/2, E/2 SW/4, Lot 4
Section 20: W/2, W/2 NE/4, NE/4 NE/4, NW/4 SE/4

-3-

CASE No. 2031

Order No. R-1728

Section 29: NW/4, W/2 SW/4, NE/4 SW/4
Section 30: All
Section 31: Lots 1, 2, E/2 NW/4, W/2 NE/4,
NE/4 NE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST

Section 25: E/2 SE/4, SE/4 NE/4

containing 9526 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 Oil Conservation Commission.

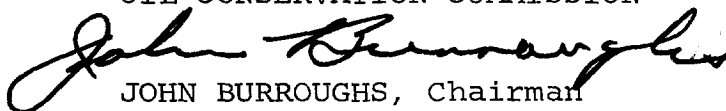
5. That the unit operator shall file with the Commission an executed original or executed counterpart of the South Cap-rock Queen Unit Agreement within 30 days after the effective date thereof.

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.

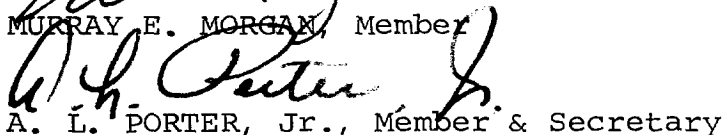
7. That this Order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator 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. L. PORTER, Jr., Member & Secretary

S E A L

esr/