Entered March 4, 1968 CLP.

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. 3728 Order No. R-3127-A

APPLICATION OF TENNECO OIL COMPANY FOR AN AMENDMENT TO ORDER NO. R-3127, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 28, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>4th</u> day of March, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 by Order No. R-3127, dated October 4, 1966, the Commission approved the Grayburg-Jackson West Cooperative Unit Agreement covering 2000 acres, more or less, of State and fee lands described as follows:

> EDDY COUNTY, NEW MEXICO TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM Section 15: W/2 SW/4 Section 16: S/2 SW/4 and SE/4 Section 21: All Section 22: W/2 W/2, E/2 NW/4, NE/4 SW/4, and NW/4 NE/4 Section 27: W/2 SW/4 Section 28: All

-2-CASE No. 3728 Order No. R-3127-A

(3) That the applicant, Tenneco Oil Company, seeks the expansion of said Grayburg-Jackson West Cooperative Unit Area to include 400 additional acres of State land described as follows:

EDDY COUNTY, NEW MEXICO TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM Section 16: N/2 and N/2 SW/4

(4) That the proposed expansion of said Grayburg-Jackson West Cooperative Unit Agreement should promote the prevention of waste and protection of correlative rights within the unit area as expanded.

IT IS THEREFORE ORDERED:

(1) That the Grayburg-Jackson West Cooperative Unit Agreement, as amended to include the acreage described in Finding (3) above, is hereby approved.

(2) That the unit operator shall file with the Commission an executed original or executed counterpart of the amendment to the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(3) That this order shall become effective upon the approval of the aforesaid amendment to the Grayburg-Jackson West Cooperative Unit Agreement by the Commissioner of Public Lands for the State of New Mexico; that this order shall terminate <u>ipso facto</u> upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-CASE No. 3728 Order No. R-3127-A

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

PORTER, Jr., Member & Secretary

SEAL

esr/