

Entered October 24, 1955
WPM

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. 960
Order No. R-705

THE APPLICATION OF HUMBLE OIL
AND REFINING COMPANY FOR APPROVAL
OF THE CHALK BLUFF DRAW UNIT AGREE-
MENT EMBRACING 7,512.92 ACRES OF LAND,
MORE OR LESS, IN EDDY COUNTY, NEW
MEXICO, WITHIN TOWNSHIPS 17 AND 18 SOUTH,
RANGE 27 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m., on the 26th day of September, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th day of October, 1955, the Commission, a quorum being present, having considered said application and the evidence introduced in support thereof, 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 tend to promote the conservation of oil and gas and the prevention of waste, and that such plan is fair to the royalty owners in the area embraced thereby.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

CHALK BLUFF DRAW UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Chalk Bluff Draw Unit Agreement, and shall hereafter 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 Chalk Bluff Draw Unit Area referred to in the

Petitioner's petition and filed with said petition, and such plan shall be known as the Chalk Bluff Draw Unit Agreement Plan.

SECTION 3. That the Chalk Bluff Draw 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 Chalk Bluff Draw Unit Agreement, or relative to the production of oil or gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

TOWNSHIP 17 SOUTH, RANGE 27 EAST

Section 28: W/2
Section 29: S/2, NE/4
Section 30: SE/4
Section 31: Lots 1, 2, 3, 4, E/2 W/2, E/2
Section 32: All
Section 33: W/2

TOWNSHIP 18 SOUTH, RANGE 27 EAST

Section 4: Lots 7, 8, 9, 10, 15, 16, 17, 18
Section 5: Lots 1, 2, 3, 4, S/2, S/2 N/2
Section 6: Lots 1 through 7 incl., SE/4, S/2 NE/4,
E/2 SW/4, SE/4 NW/4
Section 7: E/2
Section 8: All
Section 9: W/2
Section 16: W/2
Section 17: All
Section 20: All
Section 21: S/2, NW/4

Situated in Eddy County, New Mexico, containing 7,512.92 acres, more or less.

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

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Chalk Bluff Draw Unit Agreement within 30 days after the effective date thereof.

SECTION 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

-3-

Order No. R-705

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.

SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate automatically 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 F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

S E A L

ir/