

*Entered April 11, 1956  
U.L.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 NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 1033  
Order No. R-781

THE APPLICATION OF GREAT WESTERN  
DRILLING COMPANY FOR APPROVAL OF  
THE SOUTH CHACO UNIT AGREEMENT  
EMBRACING 46,123.08 ACRES OF LAND,  
MORE OR LESS, IN SAN JUAN COUNTY,  
NEW MEXICO, WITHIN TOWNSHIP 22  
NORTH, RANGES 8 AND 9 WEST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on the 14th day of March, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 20<sup>th</sup> day of March 1956, 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 in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

Section 1. That this order shall be known as the

SOUTH CHACO UNIT AGREEMENT ORDER

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

Section 3. That the South Chaco 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 Chaco 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 22 NORTH, RANGE 8 WEST  
Sections 1 through 36: All

TOWNSHIP 22 NORTH, RANGE 9 WEST  
Sections 1 through 36: All

Situated in San Juan County, New Mexico, containing 46,123.08 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 South Chaco 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 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 of 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 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 F. SIMMS, Chairman

  
E. S. WALKER, Member

  
W. B. MACEY, Member and Secretary

S E A L