

*Entered April 11, 1956  
A.S.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. 1046  
Order No. R-783

THE APPLICATION OF HUMBLE OIL &  
REFINING COMPANY FOR APPROVAL  
OF THE SOUTH SAUNDERS UNIT  
AGREEMENT EMBRACING 2,417.31  
ACRES OF LAND, MORE OR LESS, IN  
LEA COUNTY, NEW MEXICO, WITHIN  
TOWNSHIP 16 SOUTH, RANGES 33  
AND 34 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m.  
on the 28th day of March, 1956, at Hobbs, New Mexico, before  
Warren W. Mankin, Examiner duly appointed by the Oil Conservation  
Commission of New Mexico in accordance with Rule 1214 as set forth  
in Order R-681.

NOW, on this 29<sup>th</sup> day of March 1956, the Commission,  
a quorum being present, having considered the application, the  
evidence and the recommendations of the Examiner Warren W. Mankin,  
and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing  
and the purpose thereof having been given as required by law, the  
Commission has jurisdiction of this case 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 SAUNDERS UNIT AGREEMENT ORDER

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

SECTION 3. (a) That the South Saunders 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 obligation 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 Saunders Unit Agreement, or relative to the production of oil or gas therefrom.

(b) That the Unit Operator periodically shall file with the Commission a South Saunders Unit Statement of Progress summarizing operations for the exploration and development of any lands committed to said South Saunders Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the Unit Agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the South Saunders Unit Area.

SECTION 4. That the Unit Area will be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 33 EAST  
All Secs. 1 and 2

TOWNSHIP 16 SOUTH, RANGE 34 EAST  
W/2 Sec. 6

containing 2,417.31 acres, more or less.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the South Saunders 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 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