

Entered April 11, 1956
A.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. 1047
Order No. R-785

THE APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR APPROVAL OF THE NORTH
KNOWLES UNIT AGREEMENT EMBRACING 1,520
ACRES OF LAND, MORE OR LESS, IN LEA
COUNTY, NEW MEXICO, WITHIN TOWNSHIP 16
SOUTH, RANGE 38 EAST, NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on April 3, 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 of the Rules and Regulations of the New Mexico Oil Conservation Commission.

NOW, on this 6th day of April 1956, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application, the transcript of testimony and record, and recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due 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

NORTH KNOWLES UNIT AGREEMENT ORDER

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

SECTION 3. (a) That the North Knowles 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 North Knowles Unit Agreement, or relative to the production of oil or gas therefrom.

(b) That the Unit Operator periodically shall file with the Commission a North Knowles Unit Statement of Progress summarizing operations for the exploration and development of any lands committed to said North Knowles 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 North Knowles Unit Area.

SECTION 4. That the Unit Area will be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 38 EAST

All Section 1;
Lots 1, 2, 7, 8, 9, 10, 15,
16, & SE/4 Section 2;

containing 1,520 acres, more or less.

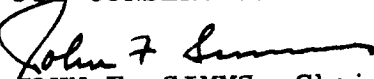
SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the North Knowles Unit Agreement within 30 days after the effective date thereof.

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.

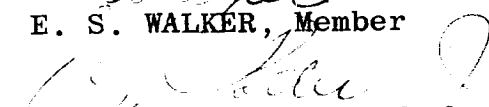
SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner in writing 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


A. L. PORTER, Jr., Member and Secretary