BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING THE MATTER OF THE APPLICATION OF STANOLIND OIL AND GAS COMPANY FOR THE APPROVAL OF THE SAN JUAN 32-5 UNIT AREA, EMBRACING 25,937.96 ACRES, MORE OR LESS, LOCATED IN TOWNSHIP 31 NORTH, RANGE 5 WEST, TOWNSHIP 32 NORTH, RANGE 5 WEST, AND TOWNSHIP 32 NORTH, RANGE 6 WEST, NMPM, SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO.

CASE NO. 491 ORDER No. R-283

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter having come on for hearing at 9:00 o'clock a.m. on February 24, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the Commission.

NOW, on this 27th day of February, 1953, the Commission, a quorum being present, having before it for consideration the said application and the evidence introduced in support thereof, and being fully advised in the premises:

FINDS:

That due public notice as required by law having been given, the Commission has jurisdiction of this cause and the subject matter thereof;

That the proposed unit agreement and plan will in principal tend to promote the conservation of oil and gas and to prevent waste;

IT IS THEREFORE ORDERED:

Section 1. That this Order shall be known as the:

"32-5 UNIT AGREEMENT ORDER".

Section 2. That the plan by which the project or unit will be operated shall be embraced in the form of a unit agreement for the development and operation of the 32-5 Unit Area referred to in the petition of the petitioner and filed with the petition. "Such plan shall be known as the 32-5 Unit Agreement Plan. -2-Case No. 491 Order No. R-283

Section 3. The 32-5 Unit Agreement Plan shall be and is hereby 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 rights, duties or obligations which now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations or exploration and development of any lands committed to the said 32-5 Unit Agreement or relative to the production of oil or gas therefrom.

Section 4. The Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO	
T-31-N, R-5-W	T - 32 - N, R - 6W
Secs. 1 and 2: All	Sec. 9: NW/4, E/2 Secs. 10 through 15, inclusive: All
<u>T-32-N, R-5-W</u>	Sec. 16: $E/2$ Sec. 21: $E/2$
Secs. 7 through 36, inclusive: All	Secs. 22 thru 27, inclusive: All Sec. 23: $E/2$

Total Unit Area embraces 25,937.96 acres, more or less.

Section 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the 32-5 Unit Agreement not later than thirty (30) days after the effective date thereof.

Section 6. That any party owning rights in the unitized substances who did not commit such rights to said unit agreement before the effective day 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 thirty (30) days an original of such counterpart or ratification.

Section 7. That this Order shall become effective upon the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Gedo gical Survey, and shall terminate ipso facto on the termination of the 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

215.

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Secretary

SEAL