

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:

CASE NO. 108

ORDER NO. 737

THE APPLICATION OF THE SOUTHERN UNION  
PRODUCTION COMPANY, PETITIONER, FOR AN  
ORDER OF APPROVAL OF PROPOSED HOPE AREA  
UNIT AGREEMENT, THE UNIT AREA OF WHICH  
EMBRACES 17,134 ACRES, MORE OR LESS, IN  
TOWNSHIPS 18 and 19 SOUTH, RANGES 23 AND  
24 EAST, IN EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A. M., November  
25, 1947, at Santa Fe, New Mexico, before the Oil Conservation Commission  
of New Mexico, hereinafter referred to as the "Commission."

NOW, on this the 26th day of November, 1947, the Commission having  
before it for consideration the testimony and other evidence adduced at  
the hearing of said case and the application of petitioner and being fully  
advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote  
the conservation of oil and gas and the prevention of waste, and that such  
plan is fair to the royalty owners and other interest owners;

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"HOPE UNIT AGREEMENT ORDER"

SECTION 1. (a). That the project herein shall be known as the Hope  
Unit Agreement and shall hereinafter be referred to as the Project.

(b) That the plan by which the Project shall be operated shall be  
embraced in the form of unit agreement for the development and operation  
of the Hope Unit Area referred to in the petitioner's application and as  
finally submitted to the Commission in definitive revised form as a part  
of the testimony adduced at said hearing of November 25, 1947; and such  
plan shall be known as the Hope Unit Agreement Plan.

SECTION 2. That the Hope Agreement Plan shall be and is hereby ap-  
proved in principle as a proper conservation measure; provided, however,  
that notwithstanding any of the provisions contained in said Unit Agree-  
ment. this approval of said agreement shall not be considered as waiving

or relinquishing in any manner any rights, 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 Hope Unit Agreement or relative to the production of oil and gas therefrom.

SECTION 3. (a). That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO, (Eddy County)

<u>T. 18 S., R. 23 E.</u> Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36:	All
<u>T. 18 S., R. 24 E.</u> Sections 17, 18, 19, 20, 29, 30, 31 and 32: Section 33:	All S $\frac{1}{2}$ and NW $\frac{1}{4}$
<u>T. 19 S., R. 23 E.</u> Sections 1, 2 and 3:	All
<u>T. 19 S., R. 24 E.</u> Sections 4, 5 and 6:	All

Total unit area 17,134 acres, more or less.

(b). That the Unit area may be enlarged or diminished as provided in said plan.

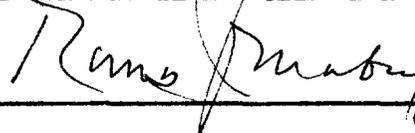
SECTION 4. That the unit operator shall file with the Commission an executed original, or executed counterparts thereof, of the Hope Unit Agreement not later than 30 days after the effective date thereof.

SECTION 5. 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 a counterpart thereof in the manner and with the effect therein expressly provided. The unit operator shall file with the Commission within 30 days thereafter an original of any such counterpart.

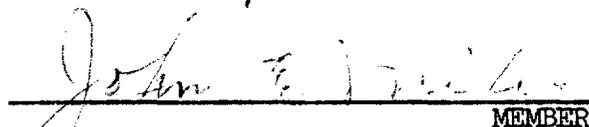
SECTION 6. That the order herein shall become effective as of the first day of the calendar month next following the approval of said Unit Agreement by the Commissioner of Public Lands and the Secretary of the Interior of the United States, and it shall terminate ipso facto upon the termination of said Unit Agreement. The last unit operator shall immediately notify the Commission in writing of any such termination.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION



CHAIRMAN



MEMBER



SECRETARY