

This unit is made on the basis of subsurface and geophysical information. The subsurface information on the San Andres shows an assymetrical anticline with a high on that horizon lying to the north and west of the unit for which we ask approval. There are a number of indications that this structure shifts and grows smaller with greater depth and therefore we have - that is, Phillips and the other companies - agreed to drill a Devonian test in the SW of the NE of Section 6 on the basis of the information as compiled by our various geological departments.

We feel that this unit conforms with the laws of the state of New Mexico, which set forth the procedures and the types of units for which approval is to be granted. Our unit agreement, which is fully executed by all the interested parties except the state of New Mexico, is in the form of unit agreements which have been previously approved, and we believe that the unit is right and proper and request your approval for it.

SPURRIER: Mr. Sneed, do you swear to the testimony which you have just presented?

SNEED: I do.

SPURRIER: Mr. Spellman, do you have anything to add to the record?

SPELLMAN: No, sir. Ohio is interested in the unit and will concur with Phillips in their request to have this unit allowed.

SPURRIER: Thank you. Any one else? Mr. Graham? Mr. Macey?

MACEY: There is one thing. About the name of the unit: When we made out the legal advertisement, the unit was designated the 'Cross No. 1', and I notice that in your application and related exhibits you refer to it as the 'Southwest Cross Roads Unit'. Is that the name you have decided on?

SNEED: The name in the executed unit agreement is 'Southwest Cross Roads Unit Agreement.' However, I am sure that the operator - I speak for Phillips in that we will accept the name 'No. 1 Cross Unit'....

GRAHAM: It is your intention to amend the application form as to name?

MACEY: It was strictly an error in advertisement. We understood it to be the Cross No. 1 and it turned out to be the Southwest Cross Roads Unit.

SNEED: Whatever the approval reads, we will agree to it....

MACEY: Inasmuch as the unit agreement reads 'Southwest Cross Roads Unit,' it ought to be the name.

SPURRIER: Southwest Cross Roads Unit. Very well. It is all right with you, isn't it, Commissioner?" (To Mr. Shepard) I have nothing further.

GRAHAM: You are now drilling on this unit?

SNEED: The well is down, has tested the Devonian, and is plugged back to test the Permian.

GRAHAM: It was a dry hole in the Devonian?

SNEED: Yes. We would like to hold the unit together for the purpose of doing some more work on it.....to determine if another well is justified. It is possible we may make a small well in the upper pay. We just can't say - we have not yet completed testing it.

SPURRIER: Without objection, the Commission can approve your unit immediately. You have a proposed order prepared?

SNEED: I have an order prepared.....

GRAHAM: You have a Land Office form.

SNEED: I have one here that is attached to the unit agreement.

GRAHAM: I guess you don't understand our system. The Oil Commission will

prepare an order in its usual form. We have the proper form as it pertains to the Land Commission.

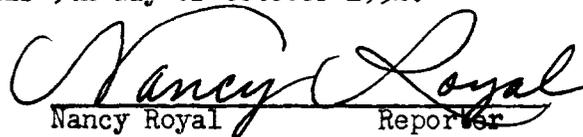
SNEED: I should like to submit formally these exhibits to the Commission for record and consideration.

SPURRIER: Without objection, they will be received.

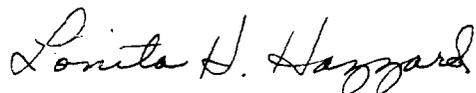
If nothing further, we will adjourn the meeting.

I hereby certify that the foregoing transcript of special hearing in Case 409 before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on October 9, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Santa Fe, New Mexico, this 9th day of October 1952.


Nancy Royal Reporter

Subscribed and sworn to before me this 9th day of October, 1952.



Lonita H. Hazzard
Notary Public in and for the
County of Santa Fe

My Commission Expires December 29, 1952.