

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF THE MAGNOLIA PETROLEUM COMPANY,)
A CORPORATION, FOR AN ORDER APPROVING THE)
PROPOSED HUERFANITO UNIT AGREEMENT)
EMBRACING 10245.38 ACRES IN SAN JUAN COUNTY,)
NEW MEXICO, WITHIN TOWNSHIPS 26 and 27N,)
RANGE 9W, NMPM.)

CASE NO. 286
ORDER NO. R-80

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 A.M. on the 24th day of July, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", upon the application of the Magnolia Petroleum Company for approval of the Huerfanito Unit Agreement embracing lands situated in San Juan County, New Mexico, and the Commission having considered said application and the evidence introduced in support thereof, and being fully advised of 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.

IT IS THEREFORE ORDERED BY THE COMMISSION AS FOLLOWS:

SECTION 1. That this order shall be known as the

HUERFANITO UNIT AGREEMENT ORDER.

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

SECTION 3. That the Huerfanito 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 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 Huerfanito Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 27 N, Rge. 9 W, N.M.P.M.
All Sec. 22, All Sec. 23, W $\frac{1}{2}$ Sec. 24,
W $\frac{1}{2}$ Sec. 25, All Sec. 26, All Sec. 27,
All Sec. 28, All Sec. 33, All Sec. 34,
All Sec. 35, All Sec. 36;

Twp. 26 N, Rge. 9 W, N.M.P.M.
All Sec. 1, All Sec. 2, All Sec. 3,
All Sec. 4, N $\frac{1}{2}$ Sec. 10, N $\frac{1}{2}$ Sec. 11,
All Sec. 12;

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Total unit area: 10,245.38 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said plan.

SECTION 5. That the unit operator shall file with the Commission and executed original or executed counterpart of the Huerfanito 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. The unit operator shall file with the Commission within 30 days an original of any such counterpart.

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on 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 above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ EDWIN L. MECHEM, Chairman

/s/ GUY SHEPARD, Member

/s/ R. R. SPURRIER, Secretary

SEAL