

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. 382
ORDER No. R-178

IN THE MATTER OF THE APPLICATION
OF SOUTHERN PRODUCTION COMPANY, INC.,
FOR APPROVAL OF THE CLOUDCROFT UNIT
AGREEMENT, EMBRACING 67,507.50 ACRES
IN OTERO COUNTY, NEW MEXICO, WITHIN
TOWNSHIPS 16, 17 AND 18 SOUTH, RANGES
11 AND 12 EAST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 24th day of July, 1952, the Commission, a quorum being present, having considered said application and the evidence introduced in support thereof, and being fully advised in the premises,

FINDS:

(1) That due public 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

CLOUDCROFT UNIT AGREEMENT ORDER

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

SECTION 3. That the Cloudcroft 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 Cloudcroft 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. 16 S., Rge. 11 E.

Secs. 11-14, inclusive, all
Sec. 22: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
Secs. 23-26: inclusive, all
Sec. 27: E $\frac{1}{2}$
Sec. 34: E $\frac{1}{2}$
Secs. 35 and 36: All

Twp. 17 S., Rge. 11 E.

Secs. 1-3: both inclusive, All
Sec. 8: All
Sec. 9: NW $\frac{1}{4}$, S $\frac{1}{2}$
Secs. 10-16: both inclusive, all
Sec. 17: N $\frac{1}{2}$, SE $\frac{1}{4}$
Secs. 21-28: both inclusive, all
Sec. 34: Lots 1 and 2, N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$
Secs. 35 and 36: All

Twp. 18 S., Rge. 11 E.

Secs. 1 and 2: All
Sec. 12: All

Twp. 16 S., Rge. 12 E.

Secs. 7-10: both inclusive, All
Secs. 15-22: both inclusive, All
Secs. 27-34: both inclusive, All

Twp. 17 S., Rge. 12 E.

Secs. 3-10: both inclusive, All
Sec. 11: SW $\frac{1}{4}$
Sec. 14: W $\frac{1}{2}$
Secs. 15-22: both inclusive, All
Sec. 23: NW $\frac{1}{4}$, S $\frac{1}{2}$
Secs. 26-36: both inclusive, All

Twp. 18 S., Rge. 12 E.

Secs. 1-11: both inclusive, All
Sec. 12: NW $\frac{1}{4}$
Secs. 14-17: both inclusive, All
Sec. 18: Lots 1-6, inclusive, E $\frac{1}{2}$
Sec. 20: N $\frac{1}{2}$
Sec. 21: N $\frac{1}{2}$, SE $\frac{1}{4}$
Secs. 22 and 23: All

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Total unit area: 67,507.50 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 an executed original or executed counterpart of the Cloudcroft 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 or 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 the Director of the United States Geological Survey, 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.

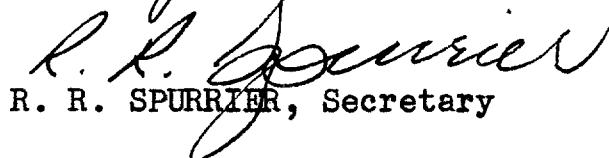
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



GUY SHEPARD, Member



R. R. SPURRIER, Secretary

