BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE SPECIAL HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 409 ORDER NO. R-198

THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR APPROVAL OF A UNIT AGREEMENT FOR THE DEVELOPMENT OF THE SOUTHWEST CROSS ROADS UNIT AREA IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 9th day of October, 1952, the Commission, a quorum being present, having considered said application and the testimony adduced 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

SOUTHWEST CROSS ROADS UNIT AGREEMENT ORDER

- SECTION 2. (a) That the project herein referred to shall be known as the Southwest Cross Roads Regreement, and shall hereafter herein 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 Southwest Cross Roads Unit Area referred to in the amended petition, and filed therewith, and such plan shall be known as the Southwest Cross Roads Unit Agreement Plan.
- SECTION 3. That the Southwest Cross Roads 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 Commission by law relative to the supervision and control of operations for exploration and development of any

lands committed to said Southwest Cross Roads Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4: (a) That the unit area shall be:

Twp. 9 S, Rge. 36 E, NMPM SW/4 Section 32

Twp. 10 S, Rge. 36 E, NMPM
All Section 6; NW/4 and NW/4 SW/4
Section 5

Total unit area: 996.45 acres, more or less, all being State Lands.

(b) The unit area may be enlarged or contracted, in accordance with the plan.

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, by subscribing to a counterpart thereof or by ratifying the same. The unit operator shall file with the Commission and the State Land Office within 30 days an original or authenticated copy of such counterpart or ratification.

SECTION 6: That the unit operator shall file with the Commission an executed original or executed counterpart of the Southwest Cross Roads Unit Agreement within 30 days after the effective date hereof.

SECTION 7: This order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico, and shall terminate ipso facto upon termination of said unit agreement. The last official unit operator shall immediately notify the said Commissioner of Public Lands 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

SEAL