

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. 465
ORDER NO. R-259

THE MATTER OF THE APPLICATION OF
LOWRY et al OPERATING ACCOUNT
FOR APPROVAL OF THE PICTURED
CLIFFS UNIT NO. 2 UNIT AGREEMENT
EMBRACING 160 ACRES IN RIO ARriba
COUNTY, NEW MEXICO, WITHIN TWP.
26 NORTH, RANGE 6 WEST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a. m. on January 15, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this th16 day of January, 1953 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

PICTURED CLIFFS UNIT NO. 2 ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Pictured Cliffs Unit No. 2 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 Pictured Cliffs Unit No. 2 area referred to in the Petitioner's petition and filed with said petition, and said plan shall be known as the Three Pictured Cliffs Unit Agreement Plan, said plan being the same agreement for the operation of Pictured Cliffs Unit No. 1, Pictured Cliffs Unit No. 2, and Pictured Cliffs Unit No. 3.

-2-

Case No. 465

Order No. R-259

SECTION 3. That the Three Pictured Cliffs 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 Pictured Cliffs Unit No. 2 agreement, or relative to the production of oil or gas therefrom.

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

NEW MEXICO PRINCIPLE MERIDIAN

Township 26 North, Range 6 West
Sec. 16 NW $\frac{1}{4}$

Total unit area: 160 acres, more or less

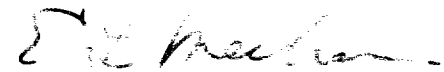
(b) That the unit area as herein defined, under terms of said unit agreement embraces the production of oil, gas, natural gasoline and associated fluid hydrocarbons insofar and only insofar as development and production from the Pictured Cliffs formation is concerned.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Three Pictured Cliffs Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That this order shall become effective upon approval of said unit agreement of the Commissioner of Public Lands of the State of New Mexico, 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



E. S. WALKER, Member



R. R. SPURRER, Secretary

S E A L