

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

June 16, 1961

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
Box 10
Roswell, New Mexico

Re: CASE NO. 2301
ORDER NO. R-2001
APPLICANT:
Murphy Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script that reads "A. L. Porter, Jr.".

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

OTHER

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. 2301
Order No. R-2001

APPLICATION OF MURPHY CORPORATION
FOR APPROVAL OF THE NORTHWEST CAP-
ROCK UNIT AGREEMENT EMBRACING 1525
ACRES, MORE OR LESS, LOCATED IN
TOWNSHIPS 11 AND 12 SOUTH, RANGE
32 EAST, NMPM, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 7, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of June, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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:

(1) That this order shall be known as the NORTHWEST CAPROCK UNIT AGREEMENT ORDER.

(2) (a) That the project herein referred to shall be known as the Northwest Caprock Unit Agreement and shall hereinafter 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 Northwest Caprock Unit Area, referred to in the Petitioner's petition and filed with said

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CASE No. 2301
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petition, and such plan shall be known as the Northwest Caprock Unit Agreement Plan.

(3) (a) That the Northwest Caprock 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 right, 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 Northwest Caprock Unit Agreement, or relative to the production of oil and gas therefrom.

(b) That the unit operator periodically shall file with the Commission a statement of progress, summarizing operations for the exploration and development of any lands committed to said Northwest Caprock Unit Agreement. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement, and shall contain such pertinent data as may be necessary for the Commission to determine the progress being made in the unit.

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

NEW MEXICO PRINCIPAL MERIDIAN,
LEA COUNTY, NEW MEXICO

TOWNSHIP 11 SOUTH, RANGE 32 EAST
Section 32: SE/4

TOWNSHIP 12 SOUTH, RANGE 32 EAST
Section 5: All
Section 6: Lot 1, SE/4 NE/4 and
the E/2 SE/4
Section 7: E/2 NE/4
Section 8: N/2 and the N/2 S/2

containing 1525 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan, provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Northwest Caprock Unit Agreement within 30 days after the effective date thereof.

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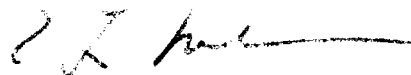
(6) That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

(7) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for 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 Commission in writing of such termination.

(8) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



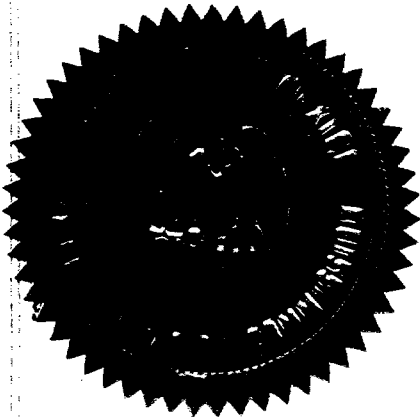
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



esr/