

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE
HEARING CALLED BY THE OIL
CONSERVATION DIVISION FOR
THE PURPOSE OF
CONSIDERING:

CASE NO. 12001
ORDER NO. R-11014

**APPLICATION OF PETROLEUM DEVELOPMENT CORPORATION FOR A
UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 9, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of August, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case.

(2) The applicant, Petroleum Development Corporation, seeks approval of the T. P. "A" State Unit Agreement for an area comprising 160.00-acres, more or less, of State lands in Lea County, New Mexico, described as follows and hereinafter referred to as the "Unit Area":

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 35: N/2, E/2 SW/4, and SE/4.

(3) No interested party appeared and objected to the proposed unit.

(4) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the unit area should be submitted to the Director for approval.

(5) Approval of the proposed unit agreement should promote the prevention of

waste and protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The T. P. "A" State Unit Agreement executed by Petroleum Development Corporation is hereby approved for all oil and gas in any and all formations in the following described area underlying 160.00 acres, more or less, of State lands in Lea County, New Mexico:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM

Section 15: W/2 SW/4

Section 16: E/2 SE/4.

(2) The plan contained in the unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, notwithstanding any of the provisions contained in the unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

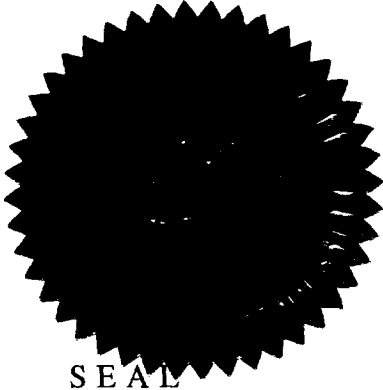
(3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) All (i) plans of development and operation, (ii) creations, expansions or contractions of participating areas and/or expansions or contractions of the unit area, shall be submitted to the Director for approval.

(5) This order shall become effective upon the approval of the unit agreement by the Commissioner of Public Lands for the State of New Mexico. This order shall terminate upon the termination of the unit agreement. The last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director