Sec : 07 Twp : 11S Rng : 35E Section Type : NORMAL

4	3	2	1
35.70	35.69	35.69	35.68
CS	CS	CS	CS
VA1316 0000	VA1316 0000	VA1316 0000	VA1316 0000
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C
U 01/01/00	U 01/01/00	U 01/01/00	U 01/01/00
N	K	F	C
40.00	40.00	40.00	40.00
CS	CS	CS	CS
VA1316 0000	VA1316 0000	VA1316 0000	VA1316 0000
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C
U 01/01/00	U 01/01/00	U 01/01/00	U 01/01/00
0	J	G	B
40.00	40.00	40.00	40.00
CS	CS	CS	CS
VA1316 0000	VA1316 0000	VA1316 0000	VA1316 0000
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C
U 01/01/00	U 01/01/00	U 01/01/00	U 01/01/00
P	I	H	A
40.00	40.00	40.00	40.00
CS	CS	CS	CS
VA1316 0000	VA1316 0000	VA1316 0000	VA1316 0000
YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C	YATES PETROLEUM C
U 01/01/00	U 01/01/00	U 01/01/00	U 01/01/00

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:

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

CASE NO. 12282 ORDER NO. R-11285

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 18, 1999 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 2nd day of December, 1999, the Division Director, having considered 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 and its subject matter.
- (2) The applicant, Yates Petroleum Corporation, seeks approval of its East Sand Springs State Unit Agreement for all oil and gas in all formations underlying 4,053.92 acres, more or less, of state lands in Lea County, New Mexico, as further described in the attached Exhibit "A".
- (3) No interested party appeared at the hearing or otherwise objected to the proposed unit agreement.
- (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 Division 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 East Sand Springs State Unit Agreement executed by Yates Petroleum Corporation is hereby approved for all oil and gas in all formations underlying 4053.92 acres, more

or less, of state lands in Lea County, New Mexico, as further described in the attached Exhibit "A".

- (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 that 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 of 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 thereafter, 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 (iii) expansions or contractions of the unit area shall be submitted to the Division 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.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

EXHIBIT "A" CASE NO. 12282 ORDER NO. R-11285 YATES PETROLEUM CORPORATION EAST SAND SPRINGS STATE UNIT AREA LEA COUNTY, NEW MEXICO

Township 10 South, Range 34 East, NMPM

Section 34:

N/2

Section 35:

N/2 and SE/4

Township 11 South, Range 34 East, NMPM

Section 13:

All

Section 24:

All

Township 11 South, Range 35 East, NMPM

Irregular Section 5:

All

Irregular Section 6:

Lots 1 through 6,

E/2 SW/4, W/2 SE/4,

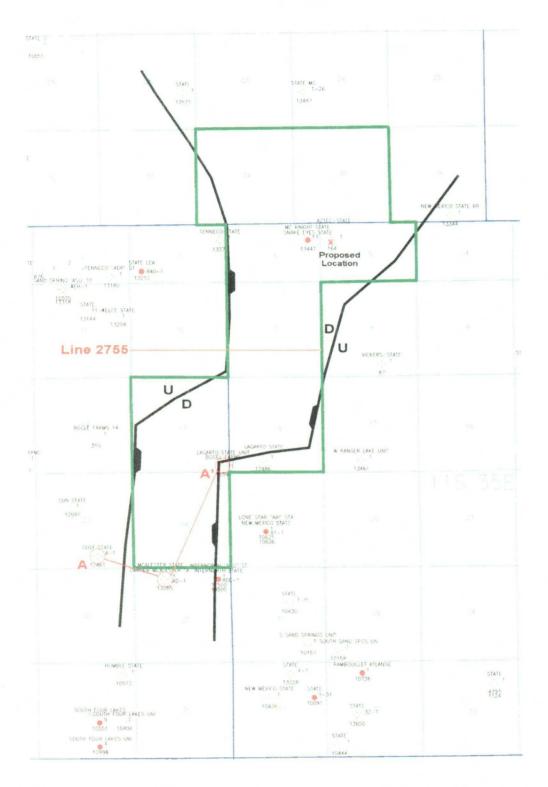
and SE/4 SE/4

Section 7:

All

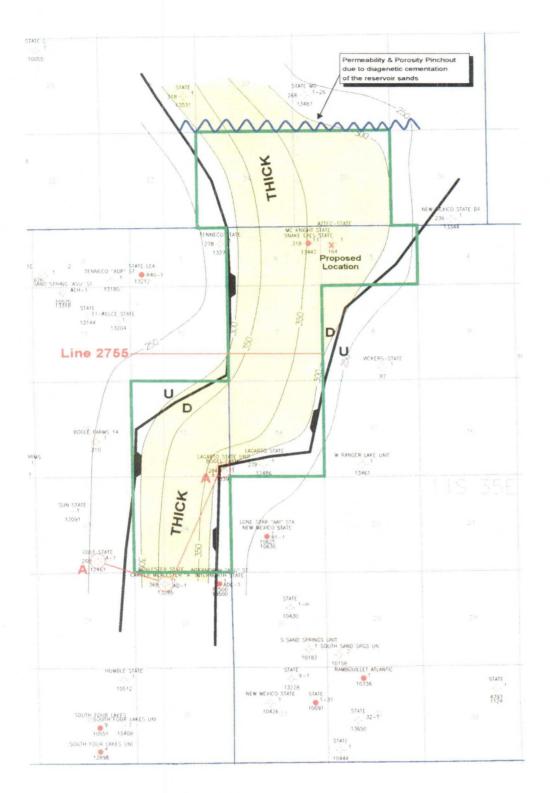
Section 18:

All



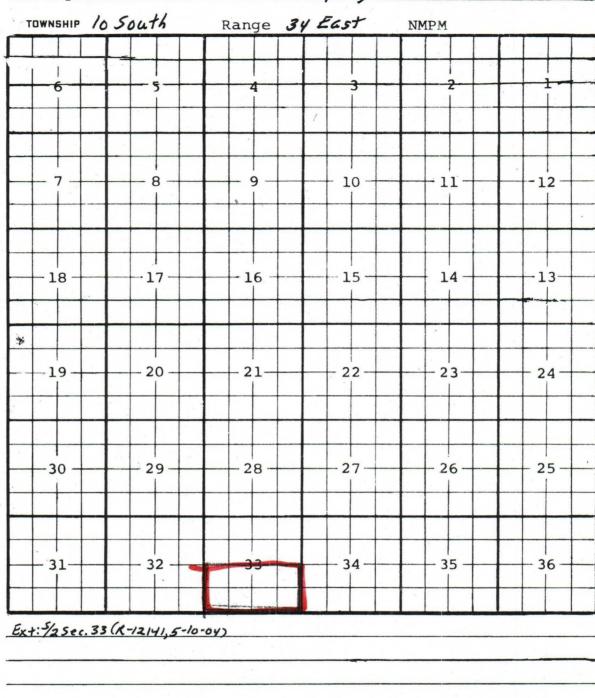


BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12282 Exhibit No. 3
Submitted by: Yates Petroleum Corporation
Hearing Date: November 18, 1999





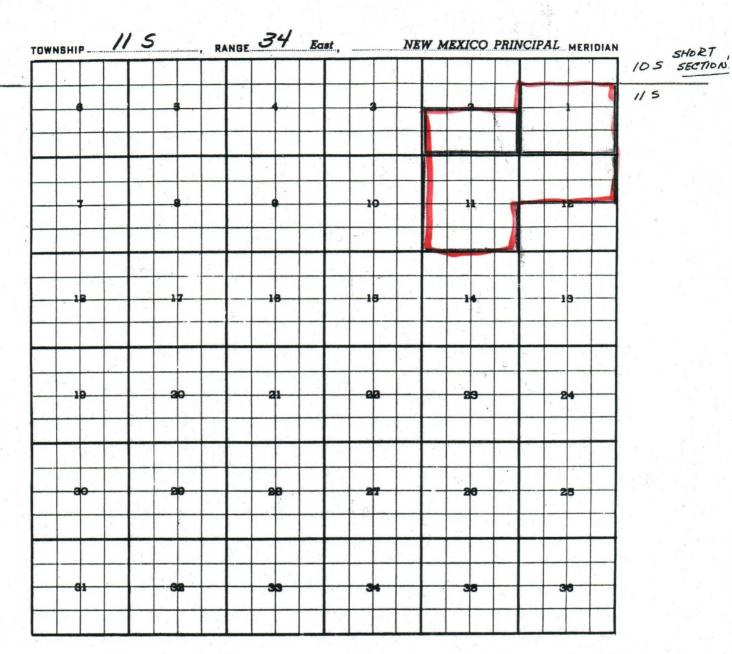
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12282 Exhibit No. 7
Submitted by: Yates Petroleum Corporation
Hearing Date: November 18, 1999



	*				
	2	•			
	8	. 1			

TOWNSHIP	USouth	Range	35 East	NMPM	
	5	4	3 -	2	1
7	8	9	10	11	12
					-
18	17	16	15	14	13
*					
19	20	21	22	23	24
1 20	1 20	30	1 1 27	26	25
30 +	29	28	27	26	25
+++					
31	32	33	34	35	36
1					

		2	32 1 3	,
	*	2		
			794	
12.7				
			~	
2				



DESC: 5/2 SER. 2 (R-8946, 7-1-89) EXT: LOTS 1,2,3,84 and 5/2 SEC /

(R-9345, 11-1-90)	
Extend vertical limits to include interval from bas	e of Strawn to top
of mississippian formation and redesignate as Sand.	Springs-Atoka-Morrou
Gas Pool Ext. All Sec. 11, 1/2 Sec. 12 (R-12141, 5-10-04)	46
	A

Pool Sand Springs - Mississippian Gas 11 South Range 35 Fast 10 -- 11 ---16 - 15 -14 ---19 **-**- 20 -- 21-- 22 -- 23-24-27 -29-- 28 -- 26 -34 -- 32 -- 33 -35 -36 -31-Description: E/2 5W/4 and Lots 3, 4, 5, 6 (R-11728, 2-20-02)