



Commissioner of Public Lands

June 22, 1987

OIL CONSERVATION DIVISION

RECEIVED SLO REF NO. OG-212

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

Cure No. 9159

Yates Petroleum Corporation ATTENTION: Ms. Kathy H. Colbert 105 South Fourth Street Artesia, New Mexico 88210 -

> Proposed Desert Rose Unit Re: Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed Desert Rose Unit, Chaves County, New This agreement meets the general requirements of the Mexico. Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have geen given. Also, any well commenced prior to the effective date of this agreement which penetrates its objective horizon prior to said effective date shall not be construed as the initial test well.

When submitting your agreement for final approval please submit the following:

- Application for formal approval by the Commissioner 1. setting forth the tracts that have been committed and the tracts that have not been committed.
- All ratifications from the lessees of Record and Working 2. Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
- Order of the New Mexico Oil Conservation Division and the 3. Designation from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.



W.R. HUMPHRIES COMMISSIONER

Yates Petroleum Corporation June 22, 1987 Page 2

4. On Article 9 of the unit agreement please fill in the formation and depth you are planning to unitize.

Your filing fee in the amount of \$120.00 Dollars has been received. If we may be of further help please do not hesitate to call on us.

.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY: if Confel chans

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm

r ... "

cc: OCD-Santa Fe, New Mexico BLM-Roswell, New Mexico Gulram, Inc.



COMMISSIONER OF PUBLIC LANDS W.R. HUMPHRIES P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

•

~

June 19, 1987

Glorini Case No. 9159

Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

4111 Cont to 7/15/87 20, 5,

Yates Petroleum Corporation Re: Desert Rose State and Federal Unit Township 8 South, Range 26 East, NMPM Sections 34 and 35: All Township 9 South, Range 26 East, NMPM Sections 2 and 11: All Chaves County, New Mexico

Gentlemen:

Please continue the hearing which we believe has been set for July 1, 1987, on the Application of Yates Petroleum Corporation for Approval of Unit Agreement, Desert Rose State and Federal Unit Area, Chaves County, New Mexico, sent to your office for filing on June 9, 1987, until the Examiner Hearing of July 15, 1987.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

ad Dileur

Chad Dickerson

Rebecca Reese Dickerson

CD:pv

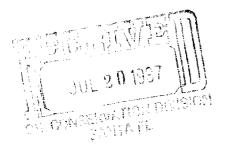
a set Dicerson

cc: Ms. Kathy Colbert

John Fisk

Set . nth & Mahone / Suite E / Artesia, New Mexico 88210 / (505) 746-9841

David R. Vandiver



July 16, 1987

Chur 9159 m 5.

Mr. Michael E. Stogner Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

> Oil Conservation Division No. 9159 Re: Desert Rose State and Federal Unit Chaves County, New Mexico

Dear Mike:

As requested in the hearing on the captioned matter held July 15, 1987, enclosed is a copy of a letter dated July 15, 1987, from the Bureau of Land Management designating the Desert Rose Unit, Chaves County, New Mexico, as a logical unit area.

Please let me know if you need anything further in connection with this matter.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER

Jelleron Chad Dickerson

CD:pv Enclosure

cc w/enclosure: Ms. Kathy Colbert

DICKERSON, FISK & VANDIVER ATTORNEYS AT LAW

State of New Mexico



SLO REF NO. OG-302

W.R. HUMPHRIES

Commissioner of Public Lands

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

July 29, 1987

Dickerson Fisk & Vandiver ATTENTION: Mr. Chad Dickerson Seventh & Mahone, Suite E Artesia, New Mexico 88210

> Re: Approval of Desert Rose Unit Chaves County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the Desert Rose Unit Agreement, Chaves County, New Mexico. Drilling operations must be commenced before 12:01am, local time August 1, 1987, being the date of the shortest term lease committed to this agreement. Our approval is subject to like approval by the Bureau of Land Management and will become effective upon their approval.

Enclosed are Five (5) Certificates of Approval.

Your filing fee in the amount of \$120.00 Dollars has been received.

If we may be of further help please do not hesitate to call on us.

Sincerely,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS BY:

181/1

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls.

cc: OCD-Santa Fe, New Mexico BLM-Roswell, New Mexico Gulram





S. P. YATES PRESIDENT

JOHN A. YATES VICE PRESIDENT B. W. HARPER SEC. - TREAS.

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 TELEPHONE (505) 748-1471

June 25, 1987

New Mexico Oil Conservation Division P. O. Box 871 Santa Fe, New Mexico 87501

> Re: Desert Rose State and Federal Unit Chaves County, New Mexico

Gentlemen:

Enclosed are three copies of page 5 to the Unit Agreement covering the captioned, which was submitted to you on June 9, 1987. The formation and depth have now been inserted in the proper spaces. Please insert this page into your copies.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H. Colbert Landman

KHC/mw

Enclosures

Cperator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of any unit operating agreement executed pursuant to this section shall be filed in the proper Bureau of Land Management office and one true copy with the Land Commissioner, and one true copy with the Division prior to approval of this unit agreement.

~8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO, if on Federal land, or by the Land Commissioner, if on State land, and by the Division if on Fee land, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until the Abo formation.

has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO if on Federal land, or the Land Commissioner if on State land, or the Division if located on Fee land, that further drilling of said well would be unwarranted or impraticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 5200 feet. Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than six (6) months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO if it be on Federal land or of the Land Commissioner if on State land, or the Division if on Fee land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section.

The AO and Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to commence any well as provided for in this section within the time allowed, prior to the establishment of a participating area, including any extension of time granted by the AO and the Land Commissioner, this agreement will automatically terminate. Upon failure to continue drilling diligently any well commenced hereunder, the AO and the Land Commissioner may, after fifteen (15) days' notice to the Unit Operator, declare this unit agreement terminated. The parties to this agreement may not initiate a request to voluntarily terminate this agreement during the first six (6) months of its term unless at least one obligation well has been drilled in accordance with the provisions of this section.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six (6) months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO, the Land Commissioner and Division, an acceptable glan of development and

-5-

•_

Cperator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of any unit operating agreement executed pursuant to this section shall be filed in the proper Bureau of Land Management office and one true copy with the Land Commissioner, and one true copy with the Division prior to approval of this unit agreement.

*8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO, if on Federal land, or by the Land Commissioner, if on State land, and by the Division if on Fee land, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until the Abo formation.

has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO if on Federal land, or the Land Commissioner if on State land, or the Division if located on Fee land, that further drilling of said well would be unwarranted or impraticable, provided, however, that Unit Operator shall not in any event be required to drill said feet. Until the discovery of well to a depth in excess of 5200 unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than six (6) months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO If It be on Federal land or of the Land Commissioner If on State land, or the Division if on Fee land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section.

The AO and Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to commence any well as provided for in this section within the time allowed, prior to the establishment of a participating area, including any extension of time granted by the AO and the Land Commissioner, this agreement will automatically terminate. Upon failure to continue drilling diligently any well commenced hereunder, the AO and the Land Commissioner may, after fifteen (15) days' notice to the Unit Operator, declare this unit agreement terminated. The parties to this agreement may not initiate a request to voluntarily terminate this agreement during the first six (6) months of its term unless at least one obligation well has been drilled in accordance with the provisions of this section.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six (6) months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO, the Land Commissioner and Division, an acceptable glan of development and

-5-

٩.

Cperator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of any unit operating agreement executed pursuant to this section shall be filed in the proper Bureau of Land Management office and one true copy with the Land Commissioner, and one true copy with the Division prior to approval of this unit agreement.

~8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO, if on Federal land, or by the Land Commissioner, if on State land, and by the Division if on Fee land, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until the Abo formation.

has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO If on Federal land, or the Land Commissioner If on State land, or the Division If located on Fee land, that further drilling of said well would be unwarranted or impraticable, provided, however, that Unit Operator shall not in any event be required to drill said feet. Until the discovery of well to a depth in excess of 5200 unifized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than six (6) months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO if it be on Federal land or of the Land Commissioner if on State land. or the Division if on Fee land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section.

The AO and Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to commence any well as provided for in this section within the time allowed, prior to the establishment of a participating area, including any extension of time granted by the AO and the Land Commissioner, this agreement will automatically terminate. Upon failure to continue drilling diligently any well commenced hereunder, the AO and the Land Commissioner may, after fifteen (15) days' notice to the Unit Operator, declare this unit agreement terminated. The partles to this agreement may not initiate a request to voluntarily terminate this agreement during the first six (6) months of its term unless at least one obligation well has been drilled in accordance with the provisions of this section.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six (6) months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO, the Land Commissioner and Division, an acceptable gian of development and

٩.

Onerator	Unit
	Name
1	Deser
ļ	er: Ro
ı	rr Rose Ini
)	i t

Uperator <u>Vates Petroleum Corp</u>.

•

County Chaves

TOTAL ACREAGE STATE FEDERAL 2,560.52 1,280.52 1,280.00	STATE F
FEDERAL 52 1,280.00	FEDERAL INDIAN-FEE 52 1,280.00 -0-

UNIT AREA

Township	8 South	,Range 26 East	,N.M.P.M.
Sec. :	34: All		
Sec. :	35: SE/4, W/	35: SE/4, W/2NE/4, S/4NE4, W/2, NE/4NE/4	

Township Sec. : Sec. : 9 South ,Range 26 East 2: Lots 1,2,3,4, S/2N/2, S/2 11: All , N. M. P. M.

1

	4	ω	STATE TRACT NO.	
	LG-4918	LG-4429	LEASE NO.	
	C.S.	Water Res.	INSTI- TUTION	
	2	• 11	SEC.	
• •	9S	S6	TWP.	
	. 26E	26E	RGE.	Unit Name Operator County
	Lots 1,2,3,4, S/2N/2, S/2 6/8/87	ALL	SUBSECTION	Desert Rose Unit Yates Petroleum Corp. Chaves
	5/2 6/8/87	6/8/87	RATIFIED DATE	
	640.52	640.00	IED ACRES	
			ACREAGE NOT RATIFIED	
	Yates Petro. Corp	Yates Petro: Corp	LESSEE	



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Roswell District Office P.O. Box 1397 Roswell, New Mexico 88201-1397



Proposed Desert Rose Unit 3180 (065)

JUL 15 1987

Dickerson, Fisk & Vandiver Accention: Chad Dickerson Seventh & Mahone, Suite E Artesia, New Mexico 88210

Gentlemen:

Your application of June 11, 1987, filed with the BLM requests the designation of the Desert Rose Unit area, embracing 2560.52 acres, more or less, Chaves County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended for all oil and gas in any and all formations within the unit boundaries.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked "Yates Petroleum Corporation's, Desert Rose Unit, Chaves County, New Mexico", is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for a well to test the Abo formation, or to a depth of 5,100 feet. Your proposed use of the form of Agreement for Unproved Areas will be accepted with the modifications requested in your application.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreements submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form. Inasmuch as this unit agreement involves the State land, we are sending a copy of this letter to the Commissioner of Public Lands. Please contact the state of New Mexico before soliciting joinders regardless of prior contacts of clearances from the State.

Sincerely,

Francis Klhemy

Francis R. Cherry, Jr. District Manager

State of New Mexico

SLO REF NO OG-835





W.R. HUMPHRIES COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

July 14, 1988

Yates Petroleum Corporation Attn: Ms. Janet Richardson 105 South Fourth Street Artesia, New Mexico 88210

> Re: Desert Rose Unit Commercial Determination Chaves County, New Mexico

Gentlemen:

This office is in receipt of your letter of June 29, 1988, together with a reserves and economic report wherein as unit operator of the Desert Rose Unit Agreement, you have determined that, on a unit basis, the Desert Rose Unit Well No. 1 is a noncommercial well and the Desert Rose Unit No. 2 has been determined to be a commercially productive unit well.

According to the data submitted, the Commissioner of Public Lands concurs with your above mentioned determination. Please submit your application for the initial abo participating area for the well no. 2 and your plan of development for approval. This action is subject to like approval by the Bureau of Land Management.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY: I Comple Mun2 FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744

WRH/FOP/pm encls. cc: OCD BLM



State of New Mexico Commissioner of Public Lands

#9159

W.R.Humphries April 30, 1990 COMMISSIONER

Advisory Board

George Clark Chairman Kristin Conniff Vice Chairman Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Melvin Cordova

Joe Kelly ATTN: Ms. Janet Richardson Robert Portillos Nancy Lynch Vigil RE: Desert Rose Unit Rex Wilson 1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Desert Rose Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES, COMMISSIONER OF PUBLIC LANDS

loydo hano

BY:

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5746

cc: OCD - Santa Fe, New Mexico BLM Unit Correspondence File Unit P.O.D. File

WRH/FOP/SMH

State of New Mexico



W.R. HUMPHRIES

COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

May 11, 1989

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

#9159

ATTN: Janet Richardson

RE: 1989 Plan of Development Desert Rose Unit Chaves County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned 1989 Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files. If we may be of further help, please do not hesitate to contact us.

Very truly yours,

W.R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

4 Coples Thank

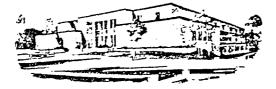
BY:

FLOYD O. PRANDO. Director Oil and Gas Division (505) 827-5749

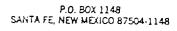
cc: OCD - Santa Fe, New Mexico BLM Unit Correspondence File

WRH/FOP/SMH





Commissioner of Public Lands



May 3, 1989

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

ATTN: Ms. Janet Richardson

RE: Desert Rose Unit Approval of Initial Participating Area Abo Formation Chaves County, New Mexico

Gentlemen:

This office has received your letter dated April 11, 1989 wherein you request approval for the SE1/4, Section 11, T-9-S, R-26-E to constitute the initial participating area for the Abo formation in the Desert Rose Unit. The Commissioner of Public date granted approval for this initial Lands has this Our approval is subject to like approval by participating area. Conservation Commission and the Bureau of 0i1 Land the Management.

Enclosed is an approved copy for your files.

Please be advised that, according to the terms of the Unit you are required to submit an acceptable plan of Agreement, development and operation for the unitized land within six (6) months of completion of a well capable of producing in paying According to our files, the Desert Rose Unit Well quantities. 2 was completed December 30, 1987 and the initial plan of No. development should have been submitted for approval prior to June 30, 1988. We have not received the initial plan and request that Subsequent to the initial plan of development, it be submitted. development are required to be submitted for annual plans of approval.



If we may be of further help, please do not hesitate to contact Susan Howarth at (505) 827-5791.

~

Very truly yours,

W.R. HUMPHRIES COMMISSIONER OF PUBLIC LANDS

BY: 4 Couples March

FLOYD O. PRANDO, Director Oil and Gas Division (505) 827-5744



State of New Mexico

[#]9159

OFFICE OF THE

Commissioner of Public Lands

JIM BACA COMMISSIONER

Santa Ne

P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

August 6, 1992

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Attn: Ms. Mecca Mauritsen

Re: Termination of Desert Rose Unit Chaves County, New Mexico

This office is in receipt of your letter of July 24, 1992 together with ratifications of 100% of the working interest owners requesting our approval to terminate the Desert Rose Unit.

Please be advised that the Commissioner of Public Lands has this date terminated the Desert Rose Unit, Chaves County, New Mexico effective July 24, 1992.

All production should now be reported on a lease basis.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

ł.

Very truly yours,

JIM BACA COMMISSIONER OF PUBLIC LANDS

FLOYD O. PRANDO, Director Oil/Gas and Minerals Division (505) 827-5744 JB/FOP/pm encls. cc: Reader File OCD-Santa Fe BLM-Roswell TRD-Santa Fe

CPL: July 21, 1987 OCD: July 29, 1987 BLM: July 31, 1987	DATE APPROVED	
. ·	OCC CASE NO. OCC ORDER NO.	
	9159 R-8478	
July 31, 1987	EFF ECTIVE DATE	Unit Name Operator County
2,560.52	TOTAL ACREAGE	Desert Rose Unit Yates Petroleum Corp. Chaves
1,280.52	STATE	orp.
1,280.00	FEDERAL	TEF EFFECTIVE I APFROVAL
-0-	INDIAN-FEE	TERMINATED EFFECTIVE DATE 7/24/92 APPROVAL DATE 9/6/92
MODIFIED	SEGREGATIO	0
5 yrs & s long as	N TERM	

UNIT AREA

	Sec. :	Sec. :	Township
	35: SE/4,	34: All	8 South
1 2 1	35: SE/4, W/2NE/4, S/4NE4, W/2, NE/4NE/4		,Range 26 East
	IE/4NE/4		,N.M.P.M.

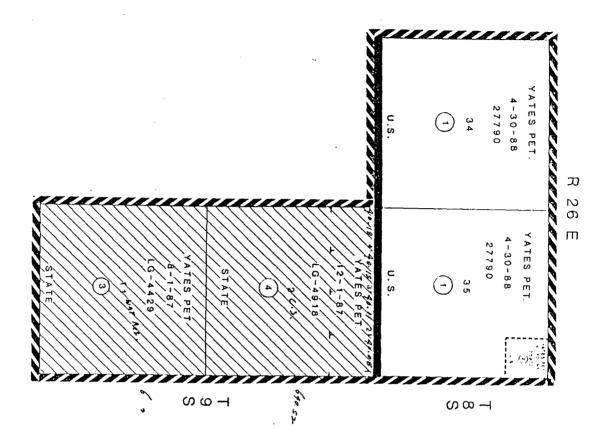
TERMINATED

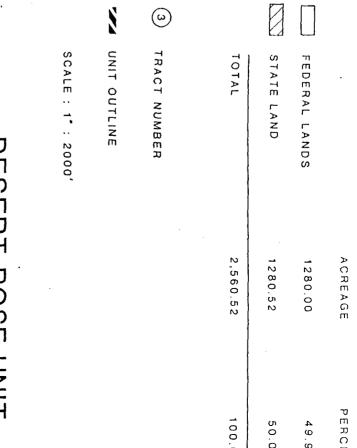
.

.05 BUG R BW TO ST

GB2 90 38 Noisiaid Nº (11938000 110

			4	ω	STATE TRACT NO.	· ·
·	. ·		LG-4918	LG-4429	LEASE NO.	
			C.S.	Water Res.	INSTI- TUTION	
•			2	s. 11	SEC.	
			S6	S6	TWP.	
• •			. 26E	26E	RGE.	Unit Name Operator County
	TERMINATED EFFECTIVE DATE APPROVAL DATE		Lots 1,2,3,4, S/2N/2, S/2 6/8/87	ALL	SUBSECTION	Desert Rose Unit Yates Petroleum Corp. Chaves
	TED		S/2 6/8/87	6/8/87	RATIFIED DATE	AP
			640.52	640.00	ED ACRES	TERMINATED
					ACREACE NOT RATIFIED	ATED
		·	Yates Petro. Corp	Yates Petro: Corp	LESSEE	





YATES PETROLEUM 105 SOUTH 4TH STREET ARTESIA, NEW MEXICO

EXHIBIT "A"

CHAVES COUNTY, NEW MEXICO

DESERT ROSE UNIT

		Page1
NI	EW MEXICO OIL CONSERVATION COMMISSION	
	EXAMINER HEARING	
	SANTA FE , NEW MEXICO	
Hearing Date	JULY 15, 1987	Time: 8:15 A.M
NAME	REPRESENTING	LOCATION
Chod Dikeno	- Dicherron, Fack & Varkwer	Arteria
Withry Pero		Contato Sa
Robert H. Strom	d Atwood, Malone, Manuaturnun	Result
Dan nutter	Cous Euge	Roswiji St.
Arguren		SA
Jos militado	br CO	Artons
Star Barris	Vates Pet. Vates Pet.	Artesis
kain, colbert	, '	277
Buch Halin	Byran	Santa Je
X.P. Bobe Kee	luch Schoro Votural Son	elloce , Ty
Not I pert	il Par Natural Das	El par Tr
Charles Nearburg	Nearburg Renducing Co	Dellasitx
2 TKellohin	Keller Keller Aubrei	Syrate
James Brune	Hinhle Law Firm	Conta Fe
formes much		
William & San	Campbell + Black	Santa Ae
agel Elillama		Medlan Jeras
John & Exclusion &	CRW-ShB One Surfayton Worthern De	-Santo de
	х.	

Р	a	g	е		
*	ч,	6	<u> </u>		

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date___

JULY 15, 1987

Time: 8:15 A.M.

2

LOCATION NAME REPRESENTING State Land Office SF BULL Have SF State Lange Office 2. Szalu Odrissm, TX Phillips Frite. Bill MURITAR JOHN C. CURRIE PHILLIPS PETROLOUM CO. ODESSA, TX odesse, Tx RICHARD V. JO PHILLIPS PET. giff Hes allinguerque Las Co. of NM Karl Sommer Farmington Ross Carbonics nudla SFEC GAMY Green Norman Hasut SFEL Willand Kent Dark Krit: Exploration, Ihc. Houston Dallas Presidio Oil Co. MH. Caral Denver Presidio ail Co Robert Rivers KRITI EXPLORATION INC Houston Adam Vavourakis