

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8356
Order No. R-7750

APPLICATION OF PEYTON YATES
FOR A UNIT AGREEMENT,
SANTA FE AND SANDOVAL COUNTIES,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 17, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 18th day of December, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Peyton Yates, seeks approval of the Caja Del Rio Grande Unit Agreement covering 122,857.15 acres, more or less, of State, Federal and Fee lands in Santa Fe and Sandoval Counties, New Mexico, described as follows:

TOWNSHIP 15 NORTH, RANGE 6 EAST, NMPM
A tract of land lying in the La Majada
Grant
Section 11: Lots 1 through 4
Section 12: S/2, Lots 1 through 4
Section 13: N/2 NE/4, NE/4 NW/4,
 Lots 1 through 4
Section 14: Lot 1

TOWNSHIP 15 NORTH, RANGE 7 EAST, NMPM

Section 1: N/2 N/2, Lots 7 through 10
Section 2: N/2 N/2, S/2 NW/4, SE/4 SW/4,
Lots 1 through 11
Section 3: W/2 W/2, NE/4, N/2 SE/4,
Lots 1 through 7
Sections 4 through 6: All
Section 7: S/2, S/2 N/2, Lots 1 through 4
Section 8: N/2, Lots 1, 3, and 5
Section 9: N/2, Lots 1, 3, 5, and 7
Section 10: Lots 1 through 3, Lots 5 through 7
Section 11: Lots 1 and 2
Section 18: Lots 1, 2, 5, and 7, NE/4, N/2 NW/4

TOWNSHIP 16 NORTH, RANGE 6 EAST, NMPM

Sections 1 through 3: All
Sections 10 through 15: All
Sections 22 through 24: All
A tract of land lying in the La Majada Grant

TOWNSHIP 16 NORTH, RANGE 7 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 16 NORTH, RANGE 8 EAST, NMPM

Sections 6 and 7: All
Sections 18 and 19: All
Sections 30 and 31: All
Section 5: N/2, SW/4, W/2 SE/4, Lot 1
Section 8: NW/4, W/2 SW/4, Lots 1 through 4
Section 17: Lots 1 through 4
Section 20: Lots 1 and 2

TOWNSHIP 17 NORTH, RANGE 7 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 17 NORTH, RANGE 8 EAST, NMPM

Sections 3 through 10: All
Sections 15 through 22: All
Sections 29 through 32: All

TOWNSHIP 18 NORTH, RANGE 7 EAST, NMPM

Section 1: All
Sections 11 through 15: All
Sections 22 through 28: All
Sections 31 through 36: All
Sections 2, 10, 16, 20, 21, 29 and 30: All that
part lying East of the Rio Grande River

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TOWNSHIP 18 NORTH, RANGE 8 EAST, NMPM

Sections 3 through 11: All
Sections 14 through 22: All
Sections 27 through 34: All
Section 1: Lots 1 through 3
Section 2: SW/4, S/2 SE/4, Lots 1 through 6
Section 12: W/2, W/2 SE/4, Lots 1 through 4

TOWNSHIP 19 NORTH, RANGE 7 EAST, NMPM

Sections 25 and 36: All
Section 35: All that part lying East of
Rio Grande River

TOWNSHIP 19 NORTH, RANGE 8 EAST, NMPM

Sections 27 through 34: All
Section 26: W/2 SW/4, SW/4 NW/4, Lots 1
through 4
Section 35: W/2 NW/4, NW/4 SW/4, Lots 1
through 4

(3) 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 of the Division for approval.

(4) Approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The Caja Del Rio Grande Unit Agreement is hereby approved.

(2) The plan contained in said unit agreement for the development and operation of the unit area is hereby 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, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or 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; that in the event of subsequent joinder by any party or expansion or

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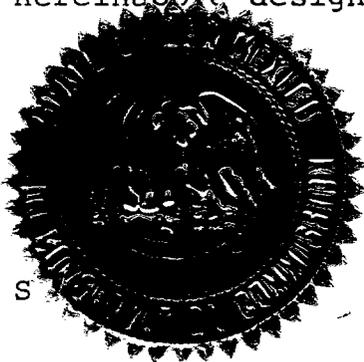
contraction of the unit area, the unit operator shall file with the Division within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) All plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) 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 the Director of the appropriate agency of the United States Department of the Interior; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this cause 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

A handwritten signature in dark ink, appearing to read "R. L. Stamets", is written over the printed name.

R. L. STAMETS,
Director