

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. 9030
Order No. R-8368

APPLICATION OF JEROME P. MCHUGH
FOR A UNIT AGREEMENT, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of December, 1986, 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, Jerome P. McHugh, seeks approval of the Carracas Canyon Unit Agreement for all oil and gas in any and all formations underlying 30,351.91 acres, more or less, of Federal and Fee lands as described in Exhibit "A" attached hereto and made a part hereof.

(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 Carracas Canyon Unit Agreement is hereby approved for all oil and gas in any and all formations underlying those

lands described in Exhibit "A" attached hereto and made a part hereof.

(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, 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.

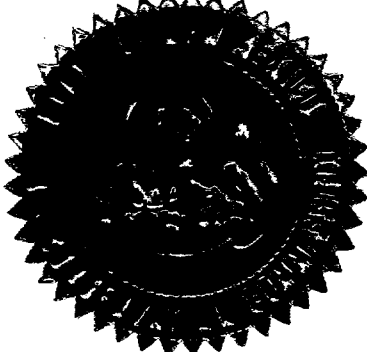
(3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division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

(4) All 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 Director of the appropriate agency of the United States Department of Interior; this order shall terminate ipso facto upon the termination of said unit agreement; and 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


R. L. STAMETS,
Director

EXHIBIT "A"
CASE 9030
ORDER NO. R-8368
CARRACAS CANYON UNIT
RIO ARriba COUNTY, NEW MEXICO

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Irregular Sections 1 and 2: All

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Irregular Sections 7-12: All

Sections 13-17 : All

Irregular Sections 18 and 19: All

Sections 20-29: All

Irregular Sections 30 and 31: All

Sections 32-36: All

TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM

Irregular Sections 7-13: All

Sections 14-17: All

Irregular Section 18: All

Section 21: E/2

Sections 22 and 23: All

Irregular Section 24: All

Sections 25-27: All

Section 28: E/2

Sections 34-36: All

Comprising 30,351.91 acres, more or less, of Federal
and Fee (Patented) lands.