

JCR

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. 8000
Order No. R-7390

APPLICATION OF TRICAN EXPLORATION
FOR A UNIT AGREEMENT, DEBACA AND
GUADALUPE COUNTIES, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of November, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That Cummins & Walker Oil Company, Inc., a Texas corporation, has been substituted for Trican Exploration, a Texas partnership, as applicant and proposed unit operator.

(3) That the applicant seeks approval of the Salado Dome Unit Agreement covering 34,935.68 acres, more or less, of State, Federal and Fee lands described as follows:

TOWNSHIP 4 NORTH, RANGE 19 EAST, NMPM

Sections 1 through 5: All
Sections 8 through 16: All
Section 17: E/2
Sections 21 through 24: All

TOWNSHIP 4 NORTH, RANGE 20 EAST, NMPM

Sections 3 through 10: All
Sections 15 through 18: All
Sections 19 through 22: N/2

-2-

Case No. 8000
Order No. R-7390

TOWNSHIP 5 NORTH, RANGE 19 EAST, NMPM

Sections 13 through 15: All

Section 16: S/2 and NE/4

Sections 21 through 28: All

Section 29: E/2 E/2

Section 31: SE/4

Sections 32 through 36: All

TOWNSHIP 5 NORTH, RANGE 20 EAST, NMPM

Section 17: S/2 and NW/4

Sections 18 through 20: All

Sections 29 through 32: All

(4) That 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.

(5) That 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:

(1) That the Salado Dome Unit Agreement is hereby approved.

(2) That 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) That 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 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) That all plans of development and operation, all unit participating areas and expansions and contractions

-3-

Case No. 8000
Order No. R-7390

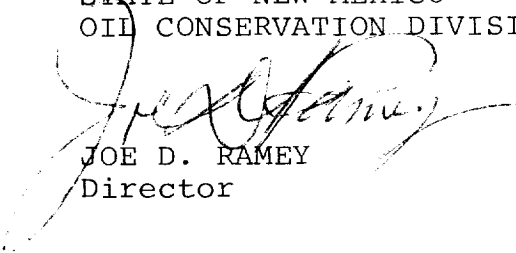
thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) That 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 Bureau of Land Management for the United States; 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) That 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



JOE D. RAMEY
Director

S E A L

fd/