

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. 8354
Order No. R-7747

APPLICATION OF PEYTON YATES
FOR A UNIT AGREEMENT, SANTA FE
COUNTY, 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 30th day of November, 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 La Mesa Unit Agreement covering 96,846.02 acres, more or less, of State, Federal and Fee lands in Santa Fe County, New Mexico, described as follows:

TOWNSHIP 15 NORTH, RANGE 8 EAST, NMPM
Sections 1 through 30: All
Sections 32 through 36: All

TOWNSHIP 15 NORTH, RANGE 9 EAST, NMPM
Sections 4 through 9: All
Sections 16 through 22: All
Sections 27 through 34: All
Section 3: Lots 1 through 8, S/2 N/2, &
NW/4 SW/4
Section 10: Lots 1 through 5, SW/4,
W/2 SE/4, S/2 NW/4 & NW/4 NW/4
Section 14: Lot 1

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Section 15: Lots 1 through 4, W/2 &
W/2 E/2
Section 23: Lots 1 through 5, SW/4, &
SW/4 NW/4
Section 26: Lots 1 through 4, W/2
Section 35: Lots 1, 2, W/2, SE/4, &
SW/4 NE/4

TOWNSHIP 16 NORTH, RANGE 8 EAST, NMPM

Sections 1 through 4: All
Sections 9 through 16: All
Sections 21 through 29: All
Sections 32 through 36: All
All of Ceneguilla Grant

TOWNSHIP 16 NORTH, RANGE 9 EAST, NMPM

Sections 4 through 9: All
Sections 16 through 21: All
Sections 28 through 33: All

TOWNSHIP 17 NORTH, RANGE 8 EAST, NMPM

Sections 1 and 2: All
Sections 11 through 14: All
Sections 23 through 28: All
Sections 33 through 36: All

TOWNSHIP 17 NORTH, RANGE 9 EAST, NMPM

Sections 5 through 8: All
Sections 17 through 20: All
Sections 28 through 33: All

TOWNSHIP 18 NORTH, RANGE 8 EAST, NMPM

Section 13: All
Sections 23 through 26: All
Sections 35 and 36: All

TOWNSHIP 18 NORTH, RANGE 9 EAST, NMPM

Sections 19 and 20: All
Sections 29 through 32: All
Section 18: Lots 5 through 9, W/2 SW/4,
& SW/4 SE/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 La Mesa 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 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.

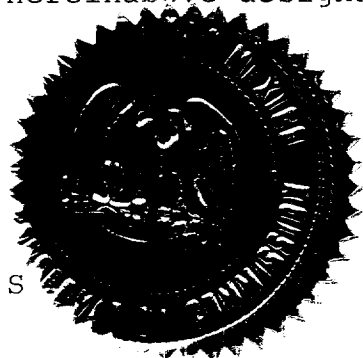
(5) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the appropriate agency of the United States Department of the Interior; that this order shall terminate ipso facto upon the termination of 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.

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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



STATE OF NEW MEXICO
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A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS,
Director