

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. 9125
Order No. R-8447

APPLICATION OF YATES PETROLEUM
CORPORATION FOR APPROVAL OF THE
EDEN VALLEY UNIT AGREEMENT, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 20, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of May, 1987, 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, Yates Petroleum Corporation, seeks approval of the Eden Valley Unit Agreement for all oil and gas in any and all formations underlying 15,669.66 acres, more or less, of State, Federal and Fee lands in Townships 6, 7, and 8 South, Range 24 East, NMPM, Chaves County, New Mexico.

(3) At the time of the hearing the applicant requested that the proposed unit area be reduced by the deletion therefrom of 2640.00 acres, more or less. Said reduction is due to certain lands within the original proposed Unit Area either being held by production or being unleased parcels of State land.

(4) The proposed Eden Valley Unit should now consist of the following described 13,029.66 acres (more or less):

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CHAVES COUNTY, NEW MEXICO
TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Irregular Section 31: All
Section 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NMPM

Irregular Sections 4 through 7: All
Sections 16 and 17: All
Irregular Section 18: E/2, Lots 2
through 5, 7 through 12
Irregular Section 19: All
Sections 20 and 21: All
Section 26: W/2
Section 29: All
Irregular Section 30: All
Sections 32 through 34: All
Section 35: W/2

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM

Irregular Section 2: Lots 3 and 4,
S/2 NW/4, SW/4
Irregular Section 3: Lots 1 through 4,
S/2 N/2
Irregular Section 4: Lots 1 and 2,
S/2 NE/4

(5) No interested party appeared and objected to the proposed Unit Area.

(6) 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.

(7) 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 Yates Petroleum Corporation's Eden Valley Unit Agreement is hereby approved for all oil and gas in any and all formations underlying the following described State, Federal, and Fee lands in Chaves County, New Mexico, comprising 13,029.66 acres (more or less):

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Irregular Section 31: All
Section 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NMPM

Irregular Sections 4 through 7: All
Sections 16 and 17: All
Irregular Section 18: E/2, Lots 2 through 5,
7 through 12
Irregular Section 19: All
Sections 20 and 21: All
Section 26: W/2
Section 29: All
Irregular Section 30: All
Sections 32 through 34: All
Section 35: W/2

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM

Irregular Section 2: Lots 3 and 4, S/2
NW/4, SW/4
Irregular Section 3: Lots 1 through 4,
S/2 N/2
Irregular Section 4: Lots 1 and 2,
S/2 NE/4

(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.

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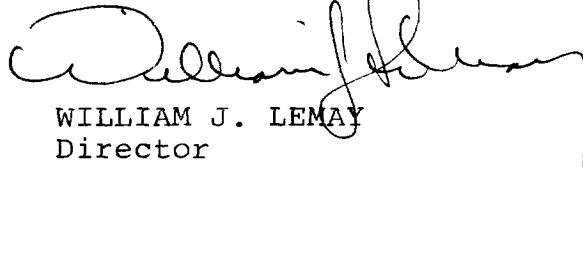
(4) All plans of development and operation; all unit participating areas and expansions and contractions thereof; and all expansions or contractions of the unit area shall be submitted to the Director of the Oil Conservation Division for approval.

(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 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



WILLIAM J. LEMAY
Director

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