

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. 9135  
Order No. R-8449

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR APPROVAL OF  
THE PANTHER HILL 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 Panther Hill Unit Agreement for all oil and gas in any and all formations underlying 10,706.33 acres, more or less, of State, Federal and Fee lands in Township 8 South, Ranges 23 and 24 East, NMPM, Chaves County, New Mexico.

(3) At the time of the hearing the applicant requested that the proposed unit be reduced by the deletion therefrom of a 40-acre tract of State land consisting of the SW/4 SW/4 (Unit M) of Section 24, Township 8 South, Range 23 East, NMPM, Chaves County, New Mexico. Said tract is an unleased parcel of State land and was excluded from the unit area by the Commissioner of Public Lands for the State of New Mexico.

(4) The proposed Panther Hill Unit should now consist of 10,666.33 acres, more or less, underlying the following described area:

-2-

Case No. 9135

Order No. R-8449

CHAVES COUNTY, NEW MEXICO  
TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM  
Section 24: E/2, NW/4, N/2 SW/4, SE/4 SW/4  
Section 25: N/2, N/2 S/2, SW/4 SW/4

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM  
Sections 16 and 17: All  
Irregular Sections 18 and 19: All  
Sections 20 through 23: All  
Sections 27 through 29: All  
Irregular Sections 30 and 31: All  
Section 32: All

(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 Panther Hill Unit Agreement is hereby approved for all oil and gas in any and all formations underlying 10,666.33 acres, more or less, of the following described State, Federal, and Fee lands in Chaves County, New Mexico:

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM  
Section 24: E/2, NW/4, N/2 SW/4, SE/4 SW/4  
Section 25: N/2, N/2 S/2, SW/4 SW/4

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM  
Sections 16 and 17: All  
Irregular Sections 18 and 19: All  
Sections 20 through 23: All  
Sections 27 through 29: All  
Irregular Sections 30 and 31: All  
Section 32: All

-3-

Case No. 9135  
Order No. 8449

(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.

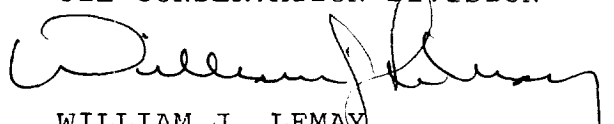
(4) All plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(5) This order shall become effective upon the approval of said unit agreement by the 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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