

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9742  
ORDER NO. R-9006

APPLICATION OF MURPHY OPERATING  
CORPORATION FOR A UNIT AGREEMENT,  
ROOSEVELT COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 6, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of September, 1989, 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) At the time of the hearing, this case was consolidated with Case No. 9743 for the purposes of testimony.

(3) The applicant, Murphy Operating Corporation, seeks approval of the Jennifer Chaveroo San Andres Unit Area and Agreement for the purpose of establishing a secondary recovery project, covering 5,147.00 acres, more or less, of State and Federal Lands in Roosevelt County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.

(4) The vertical limits of said Unit Area should comprise the subsurface formation commonly known as the San Andres formation, designated and Undesignated Chaveroo San Andres Pool, being found in that stratigraphic interval between 4,116 and 4424 feet as measured on the Compensated Formation Density Log run in the Murphy Operating Corporation Hobbs "W" Well No. 2 on August 18, 1966, said well located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 30, Township 7 South, Range 34 East, NMPM, Roosevelt County, New Mexico. The Unitized formation should further include all subsurface points throughout the Unit Area correlative to the aforementioned identified depths.

(5) No interested party appeared and objected to the proposed unit area or proposed plans for a waterflood project.

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(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 protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The application of Murphy Operating Corporation for the Jennifer Chaveroo San Andres Unit covering 5,147.00 acres, more or less, of State and Federal lands in the Chaveroo-San Andres Pool, Roosevelt County, New Mexico as further described in Exhibit "A" attached hereto and made a part hereof, for the purpose of establishing a secondary recovery project is hereby approved.

(2) The vertical limits of said Unit Area shall comprise the subsurface formation commonly known as the San Andres formation, designated and Undesignated Chaveroo San Andres Pool; found in that stratigraphic interval between 4,116 and 4,424 feet as measured on the Compensated Formation Density Log run in the Murphy Operating Corporation Hobbs "W" Well No. 2 on August 18, 1966, said well located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 30, Township 7 South, Range 34 East, NMPM, Roosevelt County, New Mexico. The unitized formation shall further include all subsurface points throughout the Unit Area correlative to the aforementioned identified depths.

(3) The Jennifer Chaveroo San Andres Unit Agreement and the Jennifer Chaveroo San Andres Unit Operating Agreement, which were submitted to the Division prior to the hearing and made a part of the record in this case, are hereby incorporated by reference into this order.

(4) 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 unit and production of oil and gas therefrom.

(5) 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 other party or expansion or contraction of the unit area, the unit operator shall file with the Division an original or confirmed copy of the agreement reflecting the subscription of those interests having joined or ratified.

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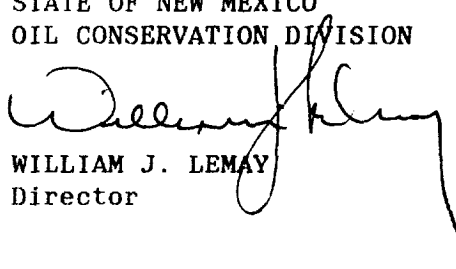
(6) All plans of development and operation, all unit participating areas and expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(7) 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; 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.

(8) 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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EXHIBIT "A"  
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JENNIFER CHAVEROO SAN ANDRES UNIT AREA  
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM

Section 25: All  
Section 26: S/2  
Sections 35 and 36: All

TOWNSHIP 7 SOUTH, RANGE 34 EAST, NMPM

Sections 18, 19 and 20: All  
Section 21: NW/4  
Section 29: N/2, SW/4, NW/4 SE/4, and S/2 SE/4  
Section 30: All

Comprising 5,147.00 acres, more or less, of State and Federal Lands.