

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. 9839
Order No. R-9089

APPLICATION OF ROBERT J. MANNES
OIL & GAS EXPLORATION FOR A 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 December 13, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of December, 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) The applicant, Robert J. Mannes Oil & Gas Exploration, seeks approval of the White Draw Unit Agreement for all oil and gas in any and all formations underlying the following described 6680 acres, more or less, of State and Federal lands in Chaves County, New Mexico:

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM
Sections 34 through 36: All

TOWNSHIP 3 SOUTH, RANGE 28 EAST, NMPM
Section 28: All
Section 29: E/2
Sections 31 and 32: All

-2-

Case No. 9839
Order No. R-9089

TOWNSHIP 4 SOUTH, RANGE 27 EAST, NMPM
Sections 1 through 3: All

TOWNSHIP 4 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

(3) At the time of the hearing the applicant requested that the proposed unit area be designated the Sand Draw Unit inasmuch as there currently exists an active unit in the state designated as the White Draw Unit.

(4) Subsequent to the hearing, the applicant further requested the deletion of Section 3, Township 4 South, Range 27 East, NMPM, from the proposed unit area.

(5) No interested party appeared and objected to the proposed unit agreement.

(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 Sand Draw Unit Agreement is hereby approved for all oil and gas in any and all formations underlying the following described 6064 acres, more or less, of State and Federal lands in Chaves County, New Mexico:

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM
Sections 34 through 36: All

TOWNSHIP 3 SOUTH, RANGE 28 EAST, NMPM
Section 28: All
Section 29: E/2
Sections 31 and 32: All

TOWNSHIP 4 SOUTH, RANGE 27 EAST, NMPM
Sections 1 and 2: All

TOWNSHIP 4 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

-3-

Case No. 9839

Order No. R-9089

(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; 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.

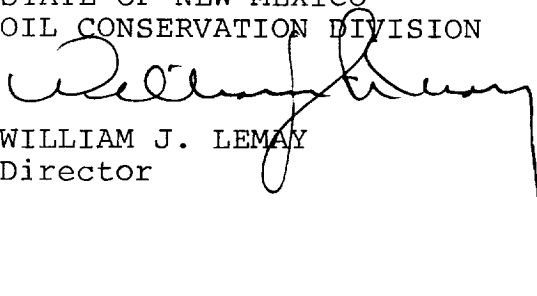
(4) All plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(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, if applicable, 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; 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

S E A L
fd/