



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

RECEIVED
JUN 19 1987

S. P. YATES
PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 18, 1987

Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

ATTENTION: David Catanach

RE: Non-standard proration unit
Panther Hill Unit #1
Section 19-T8S-R24E
Chaves County, New Mexico

Dear Sir:

I am respectfully requesting approval for a non-standard proration unit for the captioned Abo gas well. Due to the irregular size of this township, this well has 233.06 acres dedicated to it. A copy of the surveyors plat is attached.

If you should have any questions or have further requirements, please do not hesitate to call me.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Rusty Jernigan
Land Secretary

rj

Enclosures

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

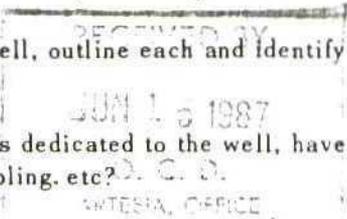
Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator YATES PETROLEUM CORPORATION			Lease Panther Hill Unit			Well No. 1		
Unit Letter Lot 8	Section 19	Township 8 South	Range 24 East	County Chaves				
Actual Footage Location of Well: 1980 feet from the South line and 1780 feet from the West line								
Ground Level Elev. 3675.	Producing Formation Abo		Pool PECOS SLOPE Abo			Dedicated Acreage: 233.06 Acres		

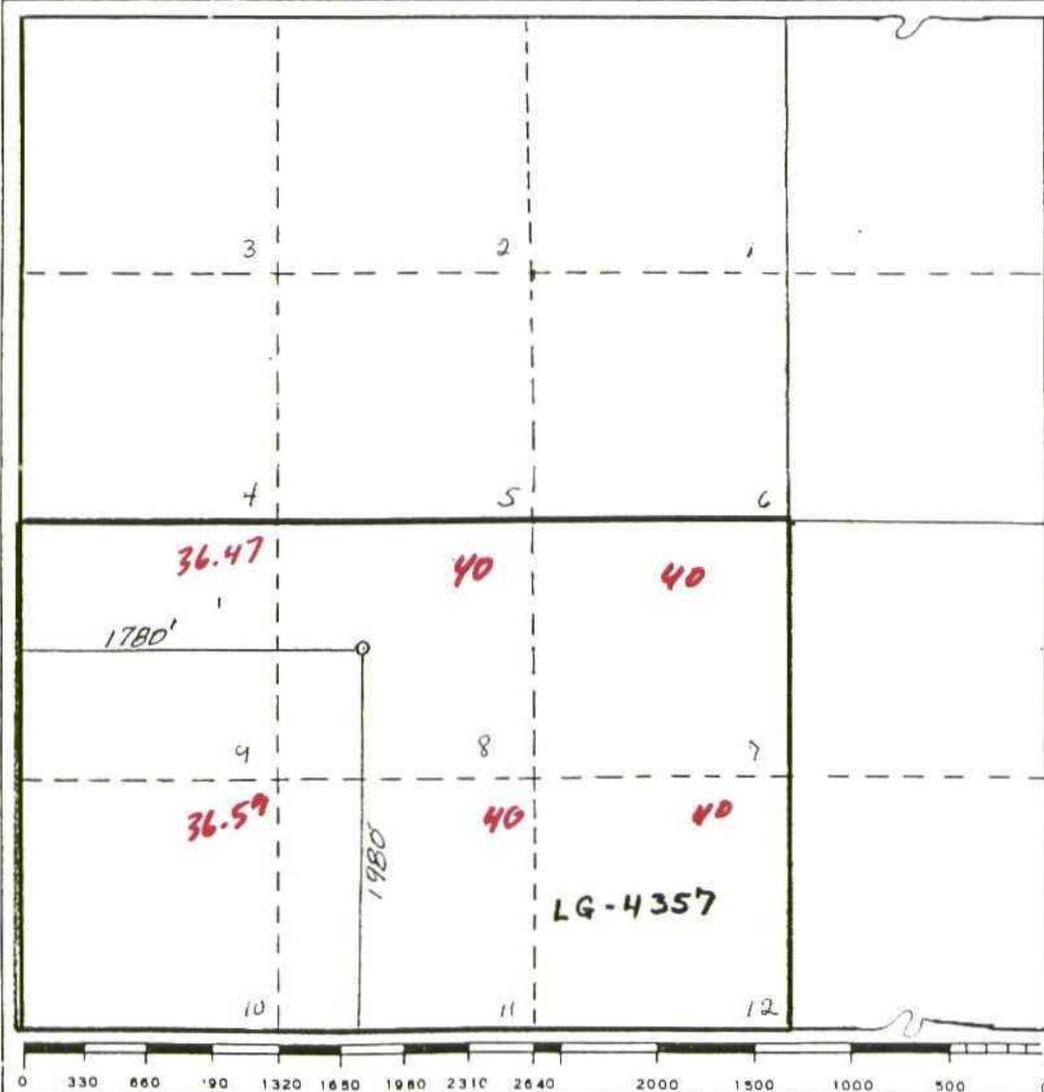
- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? UNITIZATION

Yes No If answer is "yes," type of consolidation



If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Clifton R. May

Name	Clifton R. May
Position	Regulatory Agent
Company	Yates Petroleum Corporation
Date	June 12, 1987



Date Surveyed	June 11, 1987
Registered Professional Engineer and/or Land Surveyor	<i>Dan R. Reddy</i>
Certificate No.	NM PELS NO. 5412

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:

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

(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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