

**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. 12336 (Reopened)  
ORDER NO. R-11332**

**APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A  
UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on February 3, and March 16, 2000, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 22nd day of March, 2000, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) This case was originally heard on February 3, 2000, and subsequently taken under advisement. In order to correct a deficiency in the advertisement, this case was reopened and heard on March 16, 2000.

(3) The applicant, Yates Petroleum Corporation, seeks approval of the Shinnery State Unit Agreement for all oil and gas in any and all formations correlated deeper than the total measured depth of the Prairie Schooner "AIF" State Well No. 1, located in Lot 3, Section 5, Township 10 South, Range 34 East, NMPM, as shown on the electric log dated January 7, 1991, underlying the following described 2,400 acres, more or less, of State lands in Lea County, New Mexico:

**TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM**

Section 32: All

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 4: SW/4  
Section 5: All  
Section 8: All  
Section 9: W/2

(3) No interested party appeared at the hearing or otherwise objected to the proposed unit.

(4) All plans of: (i) development and operation; (ii) creation, expansion or contraction of participating areas; or (iii) expansion or contraction of the unit area should be submitted to the Director for approval.

(5) 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 Shinnery State Unit Agreement is hereby approved for all oil and gas in any and all formations correlated deeper than the total measured depth of the Prairie Schooner "AIF" State Well No. 1, located in Lot 3, Section 5, Township 10 South, Range 34 East, NMPM, as shown on the electric log dated January 7, 1991, underlying the following described 2,400 acres, more or less, of State lands in Lea County, New Mexico:

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Section 8: All  
Section 9: W/2

(2) The plan contained in the 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 the 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.

(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 other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) All plans of: (i) development and operation; (ii) creation, expansion or contraction of participating areas; or (iii) expansion or contraction of the unit area shall be submitted to the Director for approval.

(5) This order shall become effective upon the approval of the unit agreement by the Commissioner of Public Lands for the State of New Mexico. This order shall terminate upon the termination of the unit agreement. The last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



SEAL

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Lori Wrotenbery*  
LORI WROTENBERY  
Director