

Entered April 9, 1979
JLR

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. 6504
Order No. R-5978

APPLICATION OF PHOENIX RESOURCES COMPANY
FOR APPROVAL OF THE BUCKHORN CANYON NO. 2
UNIT AGREEMENT, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of April, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Phoenix Resources Company, originally requested approval of the Buckhorn Canyon No. 2 Unit Agreement covering 23,009 acres, more or less, of State and Federal lands in Chaves County, New Mexico.
- (3) That at the time of the hearing the applicant requested the amendment of said application to designate said unit agreement as the Ranch Road Unit Agreement and to amend the acreage included within such agreement to 17,254.40 acres, more or less, of State and Federal lands described as follows:

CHAVES COUNTY, NEW MEXICO

TOWNSHIP 19 SOUTH, RANGE 19 EAST, NMPM
Section 25: All
Section 36: All

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TOWNSHIP 19 SOUTH, RANGE 20 EAST, NMPM

Sections 2 through 5: All

Sections 7 through 11: All

Sections 14 through 23: All

Sections 26 through 31: All

(4) That the proposed amendments to the subject application should be approved.

(5) That 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:

(1) That the Ranch Road Unit Agreement is hereby approved.

(2) That 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) That 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; that 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) That 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 United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Division immediately in writing of such termination.

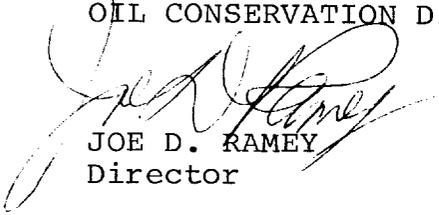
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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Order No. R-5978

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

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