

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. 8771
Order No. R-8101

APPLICATION OF LEONARD MINERALS
COMPANY FOR A UNIT AGREEMENT,
COLFAX, MORA, AND TAOS COUNTIES,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 4, 1985, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 16th day of December, 1985, 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, Leonard Minerals Company, seeks approval of the Taos Trough Unit Agreement for all oil and gas in any and all formations underlying 108,502.17 acres, more or less, of Federal and Fee lands as described in Exhibit "A" attached hereto and made a part hereof.

(3) 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.

(4) 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 Taos Trough Unit Agreement covering 108,502.17 acres, more or less, of Federal and Fee lands described in Exhibit "A" attached hereto and made a part hereof, is hereby approved.

(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 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.

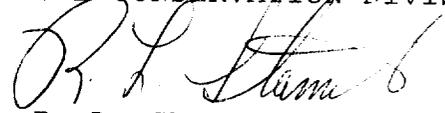
(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS,
Director

S E A L

EXHIBIT "A"
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COLFAX, MORA, AND TAOS COUNTIES, NEW MEXICO

TOWNSHIP 21 NORTH, RANGE 14 EAST, NMPM

Section 3: Lot 2, SW/4 NE/4, W/2
Sections 4 and 5: All
Section 6: Lots 1 thru 6, SE/4 SE/4
Section 7, 8, and 9: All
Section 10: NW/4, W/2 SW/4
Section 15: NW/4 NW/4
Section 16: All
Section 17: Lots 1, 4, 5, NE/4 SW/4, N/2 SE/4, NE/4, E/2 NW/4
Section 18: NE/4, E/2 NW/4, NW/4 NW/4

TOWNSHIP 22 NORTH, RANGE 13 EAST, NMPM

Section 1: All of that portion of the E/2 NE/4 in the Rancho del Rio Grande Grant

TOWNSHIP 22 NORTH, RANGE 14 EAST, NMPM

Sections 1, 12, 13, and 14: All except that portion east of the east boundary of Mora Grant Exchange Survey No. 513.

Sections 2 thru 11, and 15 thru 22: All
Section 23: Lots 1, 2, 3, 4, W/2
Section 26: W/2 NW/4, NW/4 SW/4
Sections 27 thru 29: All
Section 30: Lots 1 thru 5, NE/4 NW/4, NE/4
Section 31: Lots 3 thru 10, E/2 NE/4 NE/4 NE/4, SE/4 NE/4 NE/4, E/2 E/2 SE/4 NE/4
Sections 32, 33 and 34: All

TOWNSHIP 23 NORTH, RANGE 13 EAST, NMPM

Section 1: E/2 E/2
Section 12: E/2 E/2
Section 13: E/2 E/2
Section 24: E/2 E/2
Section 25: E/2 E/2
Section 36: E/2 E/2

TOWNSHIP 23 NORTH, RANGE 14 EAST, NMPM

Sections 1 thru 24 and 26 thru 35: All
Sections 25 and 36: All except that portion east of the east boundary of Mora Exchange Survey No. 512.

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TOWNSHIP 23 NORTH, RANGE 15 EAST, NMPM

Sections 1, 10, 11, 12, 15, 20, 21, 22, 28, 29, 30, 31 and 32: All except that portion east of the east boundary of Mora Grant Exchange Survey No. 512.

Sections 2 thru 9 and 16 thru 19: All

TOWNSHIP 24 NORTH, RANGE 13 EAST, NMPM

Section 1: E/2 E/2
Section 12: E/2 E/2
Section 23: E/2 E/2
Section 24: E/2 E/2
Section 25: E/2 E/2
Section 26: E/2 E/2

TOWNSHIP 24 NORTH, RANGE 14 EAST, NMPM

Sections 1 thru 36: All

TOWNSHIP 24 NORTH, RANGE 15 EAST, NMPM

Section 1: Lots 6, 7, W/2 SE/4, SW/4, SW/4 NW/4
Section 2: Lots 3, 4, S/2 N/2, S/2
Sections 3 thru 35: All
Section 36: All except that portion of the SE/4 SE/4 east of the east boundary of Mora Grant Exchange Survey No. 512.

TOWNSHIP 25 NORTH, RANGE 13 EAST, NMPM

Section 25: Lot 7, SW/4 SE/4
Section 36: Lots 1, 2, 3, 5, 6, 7, W/2 NE/4, NW/4 SE/4, NE/4 SW/4, E/2 NW/4 and that portion of the S/2 S/2 in the east one-half of the Rancho del Rio Grande Grant

TOWNSHIP 25 NORTH, RANGE 14 EAST, NMPM

Section 29: S/2 SW/4
Section 30: Lot 4, SE/4 SW/4, S/2 SE/4
Section 31: Lots 1 thru 8, SE/4 NW/4, NE/4 SW/4, S/2 NE/4, SE/4
Sections 32, 33 and 34: All
Section 35: S/2 N/2, S/2
Section 36: Lots 5, 6, 7, SW/4 NE/4, W/2 SE/4, S/2 NW/4, SE/4

TOWNSHIP 25 NORTH, RANGE 15 EAST, NMPM

Section 31: Lots 7 thru 11, SE/4
Section 32: S/2

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Section 33: S/2 S/2, NW/4 SW/4
Section 34: SW/4 SW/4