

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

August 9, 1995

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Application of Stephens & Johnson Operating Co.
for Unorthodox Well Locations
East Millman Pool Unit
Sections 12 and 13, T19S R28E
Eddy County, New Mexico

Gentlemen:

Please be advised that Stephens & Johnson Operating Co. operates the waterflood project known as the East Millman Pool Unit located in Sections 12 and 13, T19S R28E in Eddy County, New Mexico.

The subject property is an active waterflooding project producing from the Millman QN-GB-SA East Field and has produced approximately 2,491,000 barrels of oil to date. The current 40 acre spacing and selected water injection wells have resulted in an 80 acre five spot injection pattern.

Stephens & Johnson Operating Co. proposes an infill drilling program which will reduce the spacing to 20 acres. The infill drilling program will take place over the next three to four years and includes the conversion of all current producing wells to water injection wells which would result in a 40 acre five spot injection pattern.

The enclosed map illustrates the approximate location of eleven infill wells and the producing wells recommended for conversion. As can be seen, the recommended infill locations will be unorthodox locations. However, the proposed infill drilling program will result in the most efficient production and injection pattern for maximum oil recovery from the East Millman Pool Unit waterflooding program. A recent reservoir study prepared by Stephens Engineering indicated that the infill drilling program would increase the recoverable oil reserves from the East Millman Pool Unit by approximately 1,424,000 barrels.

Stephens & Johnson Operating Co. proposes that each of the eleven infill locations be staked at the optimum center of its four surrounding wells such that it is not closer than 330 feet from any outside unit boundary and no closer then 10 feet to any quarter-quarter section line.

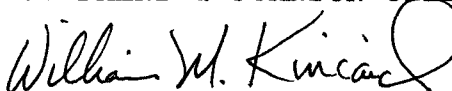
Included herein is a list of offset operators to the East Millman Pool Unit. Please be advised that Stephens & Johnson Operating Co. has notified each of these offset operators that our proposed infill drilling program has been submitted to the Oil Conservation Division for approval.

Stephens & Johnson Operating Co. respectfully requests that our infill drilling locations be approved administratively without notice and hearing since the unorthodox drilling locations will result in a more efficient production and injection pattern, increased oil recovery and prevent waste of our natural resources.

Should you require any additional information concerning this application, please do not hesitate to contact us.

Yours very truly,

STEPHENS & JOHNSON OPERATING CO.

A handwritten signature in dark ink, appearing to read "William M. Kincaid", with a large, stylized loop at the end of the last name.

William M. Kincaid

WMK/dk

OFFSET OPERATORS

1. Frostman Oil Corporation
P. O. Box 900
Artesia, New Mexico 88241
2. SDX Resources, Inc.
P. O. Box 5061
Midland, TX 79704-5061
3. Marbob Energy Corp.
P. O. Drawer 217
Artesia, New Mexico 88210
4. Kersey & Co.
P. O. Box 316
Artesia, New Mexico 88210
5. Mewbourne Oil Co.
500 W. Texas
Midland, TX 79701
6. Yates Petroleum
104 S. Fourth
Artesia, New Mexico 88210
7. Mallon Oil Co.
999 18th St., Suite 1700
Denver, CO 80202
8. Pogo Producing Co.
P. O. Box 2504
Houston, TX 77002
9. Kerr-McGee Corp.
P. O. Box 23
Midland, TX 79702

Telephone (817) 723-2166



FAX (817) 723-8113

811 Sixth Street, Suite 300

Post Office Box 2249

WICHITA FALLS, TEXAS
76307-2249

August 24, 1995

Michael Stogner
Oil Conservation Division

Sent Via FAX 505-827-8177

Re: Unorthodox Well Location
Application for Permit to Drill
Stephens & Johnson Operating Co.
East Millman Pool Unit, Tract 7,
Well No. 7, Section 13, T19S R28E
Eddy County, New Mexico

Dear Mr. Stogner:

Reference is made to our letter to the Oil Conservation Division dated August 9, 1995 concerning our infill drilling program for the East Millman Pool Unit located in Eddy County, New Mexico.

Please find attached Forms C-101 and C-102 for the above referenced well location. As explained in our letter of August 9, 1995, this is an unorthodox well location for which we are requesting administrative approval without notice and hearing since this location will result in a more efficient production and injection pattern, increased oil recovery and prevent waste of our natural resources.

Should you require any additional information concerning this application, please do not hesitate to contact us.

Yours very truly,

STEPHENS & JOHNSON OPERATING CO.

A handwritten signature in dark ink, reading "William M. Kincaid". The signature is fluid and cursive, with a large, sweeping "K" and "C".

William M. Kincaid

WMK/dk

NSL-~~443~~
575 Op

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Stephens & Johnson Operating Co. P. O. Box 2249 Wichita Falls, TX 76307		OGRID Number 019958
		API Number 30 - 0
Property Code 009799	Property Name East Millman Pool Unit, Tract 7	Well No. 7

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	13	19 S	28 E		1492	South	1151	West	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Proposed Pool 1 Millman QN-GH-SA, East	Proposed Pool 2
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Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3372
Multiple No	Proposed Depth 2700'	Formation San Andres	Contractor Unknown	Spud Date September 15, 1995

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24 lb/ft	350'+	300	Surface
7 7/8"	5 1/2"	15.5 lb/ft	2700'	600	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

- Drill 12 1/4" hole to 350'. Set 8 5/8", 24# csg with approx. 300 sacks of cement.
- Drill 7 7/8" hole to top of San Andres. Set 5 1/2", 15.50# csg with approximately 600 sacks of cement.
- Complete well in Grayburg formation.

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

Signature:

Printed name:

Title:

Date:

8-24-95

Phone:

817-723-2166

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1900 Rio Bragan Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		* Pool Code	* Pool Name
		46555	Millman QN-GB-SA, East
* Property Code	* Property Name		* Well Number
009799	East Millman Unit, Tract 7		7
* OGRID No.	* Operator Name		* Elevation
019958	Stephens & Johnson Operating Co.		3372

10 Surface Location

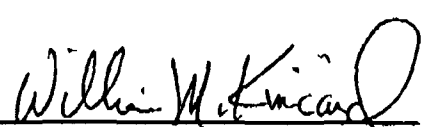
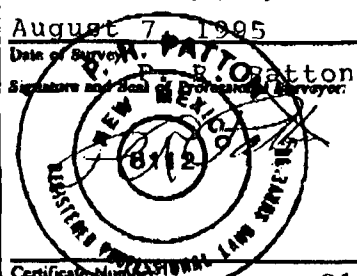
UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
L	13	19 S	28 E		1492	South	1151	West	Eddy

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40	Y		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature William M. Kincaid Printed Name Petroleum Engineer Title 8-24-95 Date
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. August 7, 1995 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number 8112

CMD :
OG&I WCM

ONGARD
INQUIRE WELL COMPLETIONS

08/25/95 10:12:12
OGOMES -EMEB

API Well No : 30 15 2231 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 46555 MILLMAN;QUEEN-GB-SA, EAST
OGRID Idn : 19958 STEPHENS & JOHNSON OP CO
Prop Idn : 9798 EAST MILLMAN POOL UNIT

Well No : 004
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : L	13	19S	28E	FTG 2310	F S FTG 660	F W	A
Lot Identifier:							
Dedicated Acre: 40.00							
Lease Type : S							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

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. 6477
Order No. R-6177

APPLICATION OF SUN OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 14, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 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, Sun Oil Company, seeks authority
to institute a waterflood project on its East Millman Pool Unit
Area by the injection of water into the Queen and Grayburg
formations through eleven injection wells in Township 19 South,
Range 28 East, East Millman Pool, NMPM, Eddy County, New Mexico,
described as follows:

<u>WELL NAME</u>	<u>NO.</u>	<u>UNIT LETTER</u>	<u>SEC.</u>
Sun Felzer State	1	E	12
Sun State "O"	1	C	13
Sun State "O"	3	O	12
Sun State "O"	4	M	13
Maralo State 272	3	K	12
Maralo State 272	2	M	12
Kersey Bass	1	I	12
Yates E. Parcel	1	G	13
Yates E. Parcel	4	A	13
Gulf Eddy State AN	2	E	13
Gulf Eddy State AN	3	K	13

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) That there are certain wells in and near the proposed waterflood project which had casing and cementing or plugging programs which are of doubtful integrity, and which may reasonably be assumed to be capable of providing avenues of escape whereby waters injected into the Queen-Grayburg formations could migrate to other formations and possibly into the fresh water sands in the area.

(7) That the applicant should consult with the Supervisor of the Artesia district office of the Division to determine what remedial work, if any, should be performed on the following described wells prior to commencement of water injection operations in the subject waterflood project:

Kersey Bass Well No. 1	Unit I, Section 28 12
Ohio Merchant Well No. 1	Unit N, Section 1
Nix and Curtis R & B State Well No. 2	Unit G, Section 12
Donnelly Kinney State Well No. 1	Unit L, Section 18
Depco State 648 Well No. 181	Unit J, Section 14
J. Yates Campbell-Gwaltney Well No. 1	Unit D, Section 18

all in Township 19 South, Range 28 East, NMPM.

(8) That injection into each of the wells described in Finding No. (2) above should be through cement-lined tubing set in a packer, said packer being installed as near as is practicable to the uppermost perforation; that the casing-tubing annulus in each injection well should be loaded with an inert fluid and equipped with an approved pressure gauge or other attention-attracting leak detection device.

(9) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 900 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(10) That the subject waterflood project should be known as the Sun East Millman Q-GB Waterflood Project.

(11) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Oil Company, is hereby authorized to institute a waterflood project on its East Millman Pool Unit Area, by the injection of water into the Queen and Grayburg formations through the following-described wells in Township 19 South, Range 28 East, East Millman Pool, NMPM, Eddy County, New Mexico:

<u>WELL NAME</u>	<u>NO.</u>	<u>UNIT LETTER</u>	<u>SEC.</u>
Sun Felzer State	1	E	12
Sun State "O"	1	C	13
Sun State "O"	3	O	12
Sun State "O"	4	M	13
Maralo State 272	3	K	12
Maralo State 272	2	M	12
Kersey Bass	1	I	12
Yates E. Parcell	1	G	13
Yates E. Parcell	4	A	13
Gulf Eddy State AN	2	E	13
Gulf Eddy State AN	3	K	13

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the Supervisor of the Artesia district office of the Division of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from or around any plugged and

abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 900 psi, provided however, that the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(5) That the subject waterflood project is hereby designated the Sun East Millman Q-GB Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 704 and 1115 of the Division Rules and Regulations.

IT IS FURTHER ORDERED:

(1) That the operator shall consult with the Supervisor of the Artesia district office of the Division and determine what, if any, remedial action must be taken on the following described wells prior to initiation of injection into the Sun East Millman Q-GB Waterflood Project:

Kersey Bass Well No. 1	Unit I, Section 28
Ohio Merchant Well No. 1	Unit N, Section 1
Nix and Curtis R & B State Well No. 2	Unit G, Section 12
Donnelly Kinney State Well No. 1	Unit L, Section 18
Depco State 648 Well No. 181	Unit J, Section 14
J. Yates Campbell-Gwaltney Well No. 1	Unit D, Section 18

all-in Township 19 South, Range 28 East, NMPM.

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

-5-

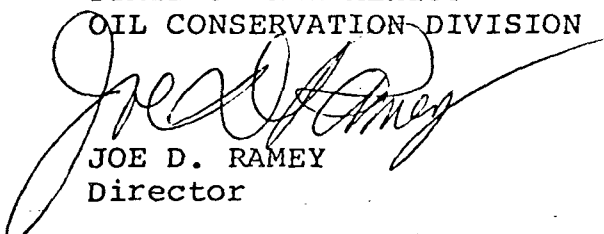
Case No. 6477

Order No. R-6177

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

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6477
Order No. R-6177-A

APPLICATION OF SUN OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-6177, dated November 14, 1979, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED:

(1) That Finding No. (7) on Page 2 of Order No. R-6177 be and the same is hereby corrected to read in its entirety as follows:

"(7) That the applicant should consult with the Supervisor of the Artesia district office of the Division to determine what remedial work, if any, should be performed on the following described wells prior to commencement of water injection operations in the subject waterflood project:

Kersey Bass Well No. 1	Unit I, Sec. 12, T-19-S, R-28-E
Ohio Merchant Well No. 1	Unit N, Sec. 1, T-19-S, R-28-E
Nix and Curtis R & B	
State Well No. 2	Unit G, Sec. 12, T-19-S, R-28-E
Donnelly Kinney State	
Well No. 1	Unit L, Sec. 18, T-19-S, R-29-E
Depco State 648 Well	
No. 181	Unit J, Sec. 14, T-19-S, R-28-E
J. Yates Campbell-Gwaltney	
Well No. 1	Unit D, Sec. 18, T-19-S, R-29-E"

(2) That Order No. (1) of "IT IS FURTHER ORDERED" on Page 4 of Order No. R-6177 be and the same is hereby corrected to read in its entirety as follows:

"(1) That the operator shall consult with the Supervisor of the Artesia district office of the Division and determine what, if any, remedial action

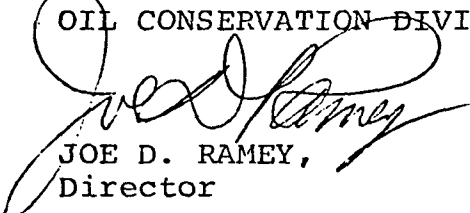
must be taken on the following described wells
prior to initiation of injection into the Sun East
Millman Q-GB Waterflood Project:

Kersey Bass Well No. 1	Unit I, Sec. 12, T-19-S, R-28-E
Ohio Merchant Well No. 1	Unit N, Sec. 1, T-19-S, R-28-E
Nix and Curtis R & B State Well No. 2	Unit G, Sec. 12, T-19-S, R-28-E
Donnelly Kinney State Well No. 1	Unit L, Sec. 18, T-19-S, R-29-E
Depco State 648 Well No. 181	Unit J, Sec. 14, T-19-S, R-28-E
J. Yates Campbell-Gwaltney Well No. 1	Unit D, Sec. 18, T-19-S, R-29-E"

(3) That the corrections set forth in this order be
entered nunc pro tunc as of November 14, 1979.

DONE at Santa Fe, New Mexico, on this 29th day of
November, 1979.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/

(BUCKHORN CANYON UNIT - Cont'd.)

(2) That the applicant, Phoenix Resources Company, seeks approval of the Buckhorn Canyon Unit Agreement covering 23,009.38 acres, more or less, of State and Federal lands described as follows:

CHAVES COUNTY, NEW MEXICO

TOWNSHIP 19 SOUTH, RANGE 19 EAST, NMPM

Section 1: All
Sections 12 and 13: All
Sections 24 and 25: All
Section 36: All

TOWNSHIP 19 SOUTH, RANGE 20 EAST, NMPM

Sections 2 through 11: All
Sections 14 through 23: All
Sections 26 through 35: All

(3) That 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) That the Division should be notified of any change in Unit Operator.

(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 Buckhorn Canyon 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 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) That any change in Unit Operator shall immediately be reported to the Oil Conservation Division.

(6) 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.

(7) That 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.

EAST MILLMAN POOL UNIT
Eddy County, New Mexico

Order No. R-5935, Approving the East Millman Pool Unit Agreement, Eddy County, New Mexico, February 28, 1979.

Application of Sun Oil Company for Approval of the East Millman Pool Unit Agreement, Eddy County, New Mexico.

CASE NO. 6450
Order No. R-5935

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of February, 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.

EAST MILLMAN POOL UNIT - Cont'd.)

(2) That the applicant, Sun Oil Company, seeks approval of the East Millman Pool Unit Agreement covering 920.0 acres, more or less, of State and Federal lands described as follows:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 12: SW/4 NW/4, SE/4 NE/4 and S/2
Section 13: N/2, SW/4, and NW/4 SE/4

(3) That notice of change of operator, 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 Division.

(4) 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 East Millman Pool 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 notice of change of operator, 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 Oil Conservation Division.

(5) 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.

(6) That 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.

NORTH TEXAS HILLS UNIT
Eddy County, New Mexico

Order No. R-5937, Approving the North Texas Hills Unit Agreement, Eddy County, New Mexico, February 28, 1979.

Application of Yates Petroleum Corporation
for Approval of the North Texas Hills Unit
Agreement, Eddy County, New Mexico.

CASE NO. 6455
Order No. R-5937

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of February, 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, Yates Petroleum Corporation, seeks approval of the North Texas Hills Unit Agreement covering 5120.00 acres, more or less, of State, Federal and Fee lands described as follows:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Sections 16 and 17: All
Sections 20 and 21: All
Sections 28 and 29: All
Sections 32 and 33: All

(3) That all plans of development and operation, and creations, expansions, or contractions of the participating areas, or expansions or contractions of the unit area, should be submitted to the Director of the Division for approval.

(4) That notice of change of operator should be submitted to the Division.

(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 North Texas Hills Unit Agreement is hereby approved.