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Mr. James Bruce  
Hinkle, Cox, Eaton, Coffield<sup>Re:</sup>  
& Hensley  
Attorneys at Law  
Post Office Box 2068  
Santa Fe, New Mexico 87501

CASE NO. 8035  
ORDER NO. R-7424

Applicant:

Exxon Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD \_\_\_\_\_ **x**  
 Artesia OCD \_\_\_\_\_ **x**  
 Aztec OCD \_\_\_\_\_

Other \_\_\_\_\_

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. 8035  
Order No. R-7424

APPLICATION OF EXXON CORPORATION FOR  
A UNIT AGREEMENT, DONA ANA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on January 4, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of January, 1984, 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, Exxon Corporation, seeks approval of the Dona Unit Agreement covering 24,941.30 acres, more or less, of State, Federal and Fee lands in Dona Ana County, New Mexico, described as follows:

TOWNSHIP 23 SOUTH, RANGE 3 WEST, NMPM  
Sections 30 through 34: All

TOWNSHIP 23 SOUTH, RANGE 4 WEST, NMPM  
Section 17: All  
Sections 20 and 21: All  
Sections 25 through 29: All  
Sections 33 through 36: All

TOWNSHIP 24 SOUTH, RANGE 3 WEST, NMPM  
Sections 3 through 10: All  
Sections 15 through 18: All

TOWNSHIP 24 SOUTH, RANGE 4 WEST, NMPM

Sections 1 through 4: All

Sections 10 through 15: 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 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 Dona 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 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 the Interior; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit

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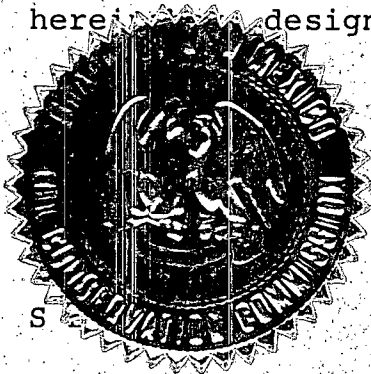
Case No. 8035

Order No. R-7424

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 here designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director