

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date APRIL 18, 1990 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Mike Haller	Byram	Sardate
Janice Trimmer	"	"
Bill Merri	BHP	Houston
Randall Davis	BHP	Houston
Robert H. Bell	Heyco	Roswell
Lamy Brooks	HEYCO	"
Mark Nearburg	Nearburg	Midland
Louis Mazzucco	Nearburg	Midland
Oglet Pull	BHP	Houston
Mike Boling	Heyco	-
M. Dellechiaie	Kelvin Yellabun Aubrey	Santa Fe
William L. Gray Louise Jordan	Complac + Black; P.A. and ...	Santa Fe
El Springer MIKE BURCH	Nates Pet. YATES PET.	Artesia ARTESIA

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date APRIL 18, 1990 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Carm Zuel	Humboldt Law Firm	ABQ
E. L. Padilla	Padilla + Snyder	SF
Mary L. Wood	Stevens & Tull, Inc.	Midland
Dorinda Wilson	CRYX	MIDLAND
CHP MURRAY	CRYX	MIDLAND
Tom Hobbys	CRYX	MIDLAND
D. W. L. Davis	D. W. L. Davis	Sugar Creek TX
Craig King	MARATHON	MIDLAND, TX
Eric J. Corison	MIRATIONS Oil Company	"
Laurence D. Hanna	MARATHON OIL CO	HOUSTON TX
Randy Hall	Stevens + Tull, Inc.	Midland, TX
Curtis D. Smith	Marathon Oil Co.	Midland, Tx.
Charles G. Gray	CRYX Energy Co	Dallas, Tx.

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 14, 1990

BHP Petroleum Company, Inc.
Attn: Mr. Dwight Pickle
5847 San Felipe, Suite 3600
Houston, Texas 77057

Re: Subsequent Joinder of Fee Tract No.
Seven to the Sunfish State Unit
Agreement, Chaves County, New
Mexico.

This office is in receipt of your letter of May 16, 1990, requesting our approval to commit Tract No. 7 to the Sunfish State Unit Agreement. Also enclosed were the ratifications and joinders to the Unit Agreement and Unit Operating Agreements signed by Yates Petroleum Corporation, et al.

As per Section 23 of the Sunfish State Unit Agreement the Subsequent Joinder "shall be effective as of the first day of the month following the approval by the Commissioner and the filing with the Division of duly executed counterparts of the instrument or instruments committing the interest of such owner to the agreement." Please be advised that the Commissioner of Public Lands has this date approved the subsequent joinder of Fee Tract No. 7 to the Sunfish State Unit Agreement and is effective as of July 1, 1990. The acreage covered under this tract is described as lot 4, Section 7, Township 10 South, Range 27 East containing 39.21 acres. With the commitment of this tract all 2,235.08 acres in the unit are now fully committed to the unit agreement. Please notify all interested parties of this action.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: Reader File
OCD
TRD

Unit Name Sunfish State Unit
 Operator RHP Petroleum Inc.
 County Chaves County, NM

1280
 6-14-80

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.							
May 7, 1990	Case No.: 9908 Order No.: R-9159	May 7, 1990	2235.08	2195.87	-0-	Fee. 39.21	Strict	5

UNIT AREA

T9S, R27E

Section 32: E/2

TRACT 7 IS NOT COMMITTED TO THE UNIT AGREEMENT AT THIS TIME, TRACT 7 IS A FEE LEASE.
 EFF: July 1, 1980 Tract # 7 (39.21) Ac. 15 committed to unit under Subsequent Order.
 ALL STATE TRACTS ARE COMMITTED TO THE UNIT AGREEMENT AT THIS TIME.

T10S, R27E

Section 5: A11
 Section 7: A11
 Section 8: A11

EXHIBIT "B"
 To Unit Agreement
 Sunfish State Unit
 Chaves County, New Mexico

Tract #	Land Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner	
1	T10S-R27E Sec. 8: E/2	320.00	V-1450-4 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	8.33%	BHP Petroleum Company Inc.	100% <u>C.S.</u>
2	T9S-R27E Sec. 32: E/2	320.00	V-1463-4 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	3.33%	BHP Petroleum Company Inc.	100% <u>C.S.</u>
3	T10S-R27E Sec. 5: Lots 1,2, S/2 NE/4, SE/4	319.01	V-1467 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>Mat. Res.</u>
4	T10S-R27E Sec. 5: Lots 3,4, S/2 NW/4, SW/4	319.35	V-1468 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>C.S.</u>
5	T10S-R27E Sec. 7: Lots 1,2,3, E/2, E/2 W/2	597.51	V-1574 09/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>C.S.</u>
6	T10S-R27E Sec. 8: W/2	320.00	V-1648 12/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>C.S.</u>

TOTAL STATE ACREAGE 2,195.87

Beneficiary

EXHIBIT 'B'
 To Unit Agreement
 Sunfish State Unit
 Chaves County, New Mexico

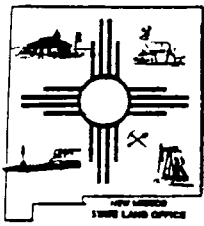
Tract #	Land Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
7	T10S-R27E Sec. 7; Lot 4	39.21	12/22/95	18.75%	Yates Petroleum Corporation	1.25%	Yates Petroleum Corporation Yates Drilling Company ABO Petroleum Corporation Mycro Industries, Inc.
TOTAL FEE ACREAGE		<u>39.21</u>					

*OK 7-1-96 UVIDEN
 Subsequent TO UVIDEN*

RECAPITULATION

2,195.87 Acres of State of New Mexico Lands	98.246%
<u>39.21 Acres of Fee Lands</u>	<u>01.754%</u>
2,235.08	100.000%

→ Committed



State of New Mexico
Commissioner of Public Lands

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

April 16, 1990

#9908

BHP Petroleum
5847 San Felipe, Suite 3600
Houston, Texas 77057

ATTN: Mr. Dwight Pickle

RE: Proposed Sunfish Unit
Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of the unit agreement submitted for the proposed Sunfish Unit Area, Chaves County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases until final approval and an effective date have been given.

When submitting your agreement for final approval, please include the following items:

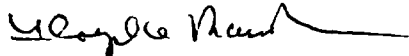
1. Application for final approval by the Commissioner setting forth the tracts that have been committed and those that are not committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be contingent upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. An original and one copy of both the Unit Agreement and the Unit Operating Agreement for our files. Again, the original set must contain original signatures.

5. Please remit a filing fee in the amount of one hundred twenty dollars (120.00). This filing fee is assessed in the amount of thirty dollars (\$30.00) for each section or partial section included inside the Unit boundaries.

If we may be of further help, please do not hesitate to call Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WHR/FOP/SMH

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 1, 1990

BHP Petroleum Company, Inc.,
5847 San Felipe, Suite 3600
Houston, TX 77057

Attn: Dwight Pickle, Senior Landman

Re: Sunfish State Unit
Chaves County, New Mexico
Extension of Drilling Requested

Dear Mr. Pickle:

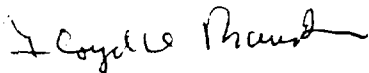
We received your letter requesting a six (6) month extension of the drilling discovery clause to June 16, 1991.

The Commissioner of Public Lands on this date does hereby grant a three (3) month extension in accordance with Section 8 of the Unit Agreement. The next exploration well must be drilling by March 16, 1991.

If you have any questions contact Clyde Langdale at (505) 827-5791.

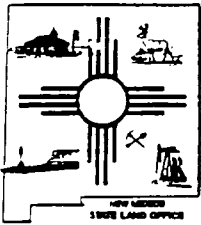
Sincerely,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
Floyd O. Prando, Director
Oil, Gas & Minerals Division

WRH/FOP/CL/dm

cc: OCD - David Catanach
BLM - Jerry Dutchover



State of New Mexico
Commissioner of Public Lands

W. R. Humphries
COMMISSIONER

May 7, 1990

Advisory Board

George Clark
Chairman

BHP Petroleum Company Inc.
5847 San Felipe Suite 3600
Houston, Texas 77057

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

ATTN: Mr. Dwight Pickle

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

RE: Approval of Sunfish State Unit
Chaves County, New Mexico

Gentlemen:

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Sunfish State Unit located in Chaves County, New Mexico. It is our understanding that Tract 7 is not committed to the Unit Agreement at this time. The effective date of the Unit Agreement is today, May 7, 1990.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your filing fee in the amount of one hundred twenty dollars (\$120.00) was received. We have enclosed 5 Certificates of Approval for the Sunfish State Unit.

If we may be of further help, please contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

A handwritten signature in black ink, appearing to read "Floyd O. Prando".

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5746

WRH/FOP/SMH

enclosures

cc: OCD - Santa Fe, New Mexico
BLM - Roswell, New Mexico

Unit Name Sunfish State Unit
 Operator BHP Petroleum Inc.
 County Chaves County, NM

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDI
APPROVED	OCC ORDER NO.	DATE	ACREAGE	STATE	FEDERAL	INDI
May 7, 1990	Case No.: 9908 Order No.: R-9159	May 7, 1990	2235.08	2195.87	-0-	Fee.

UNIT AREA

T9S, R27E

Section 32: E/2

T10S, R27E

Section 5: A11
 Section 7: A11
 Section 8: A11

TRACT 7 IS NOT COMMITTED TO THE UNIT AGREEMENT AT THIS TIME, TRACT 7 IS
 ALL STATE TRACTS ARE COMMITTED TO THE UNIT AGREEMENT AT THIS TIME.

EXHIBIT 'B'
 To Unit Agreement
 Sunfish State Unit
 Chaves County, New Mexico

Tract #	Land Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner	
1	T10S-R27E Sec. 8: E/2	320.00	V-1450-4 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	8.33%	BHP Petroleum Company Inc.	100% <i>Waf. Beneficiary</i>
2	T9S-R27E Sec. 32: E/2	320.00	V-1463-4 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	3.33%	BHP Petroleum Company Inc.	100% <i>C.S.</i>
3	T10S-R27E Sec. 5: Lots 1,2, S/2 NE/4, SE/4	319.01	V-1467 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <i>Waf. R.</i>
4	T10S-R27E Sec. 5: Lots 3,4, S/2 NW/4, SW/4	319.35	V-1468 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <i>C.S.</i>
5	T10S-R27E Sec. 7: Lots 1,2,3, E/2, E/2 W/2	597.51	V-1574 09/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <i>C.S.</i>
6	T10S-R27E Sec. 8: W/2	320.00	V-1648 12/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <i>C.S.</i>

TOTAL STATE ACREAGE 2,195.87

EXHIBIT 'B'
 To Unit Agreement
 Sunfish State Unit
 Chaves County, New Mexico

*Not
 Comm. Hed*

Tract #	Land Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner
7	T10S-R27E Sec. 7; Lot 4	39.21	12/22/95	18.75%	Yates Petroleum Corporation	1.25%	Yates Petroleum Corp Yates Drilling Company ABO Petroleum Corpor Mycro Industries, Inc.

TOTAL FEE ACREAGE 39.21

RECAPITULATION

2,195.87 Acres of State of New Mexico Lands	98.246%
<u>39.21 Acres of Fee Lands</u>	<u>01.754%</u>
2,235.08	100.000%

9908



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 8, 1991

BHP Petroleum Company, Inc.
5847 San Felipe, Suite 3600
Houston, Texas 77057

Attn: Mr. Stephen L. Mahanay

Re: Sunfish State Unit
Chaves County, New Mexico
Termination effective as of September 15, 1991.

A review of the Sunfish State Unit Agreement records reflect the following:

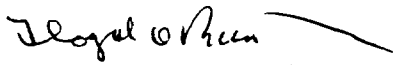
1. The Unit agreement was approved effective as of May 7, 1990.
2. The Sunfish Unit Well No. 1 was plugged and abandoned on June 14, 1990.
3. Our letter of November 1, 1991 granted you an extension to March 16, 1991 within which to drill your next unit well.
4. Our letter of March 6, 1991 extended the expiration date of your unit from March 16, 1991 to July 15, 1991.
5. An intent to drill dated March 8, 1991 was approved by OCD to drill the Bonito State Unit Well No. 1-B in Sec. 5-10S-27E. We have no records that this well was ever drilled.
6. The Bonito State Unit Well No. 2-I Sec. 5-10S-27E, was spudded on March 14, 1991 and plugged and abandoned on April 9, 1991.
7. An intent to drill the Albacore State Unit Well No. 1-B Sec. 8-10S-27E was approved by OCD on March 8, 1991. We have no records reflecting that this well was ever drilled.
8. As per your request, our letter of June 17, 1991 granted you a final extension to September 15, 1991 to drill the next unit well. As of this date our records indicate that there are no drilling operations being conducted within the unit area. Also, as per your follow-up telephone conversation with Pete Martinez of this office, you concurred that the unit was terminated.

In view of the above, please be advised that the Sunfish State Unit has this date been terminated effective as of September 15, 1991. Please also be advised that in all future unit agreements, all wells intended to be unit wells must carry the unit name. Those wells that do not carry the unit name will not be considered as being unit wells.

Please advise all interested parties of this action. If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

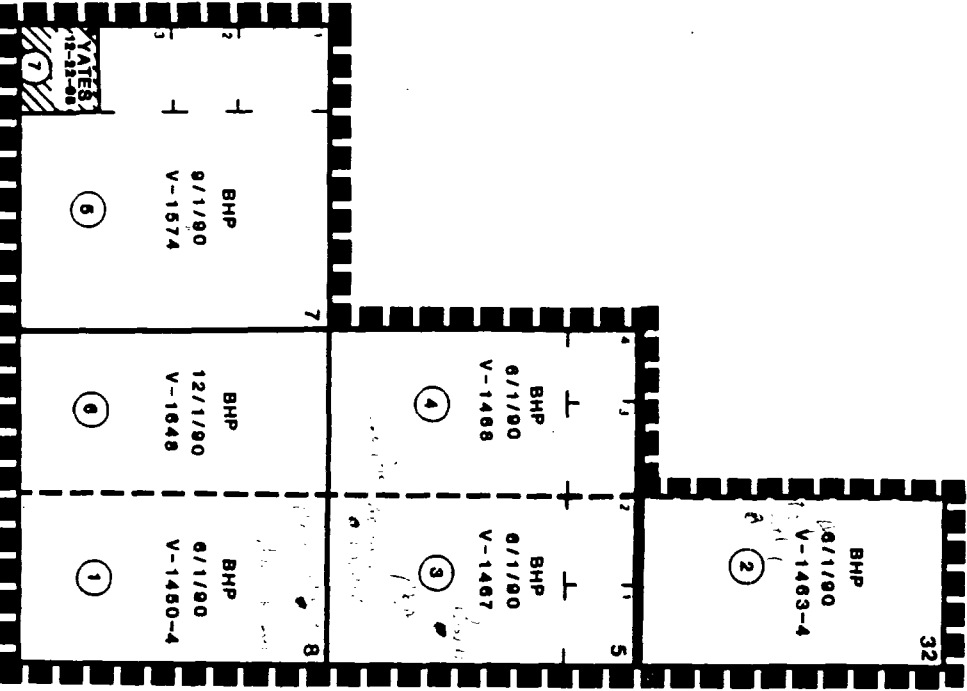
cc: Reader File
OCD
TRD
BLM- Roswell

TERMINATED

EFF. 9/15/91

App. 11/8/91

R-27-E



STATE LANDS 2,195.87 ACRES - 98.246%

FEE LANDS 39.21 ACRES - 1.754%

① TRACT NUMBER

--- UNIT OUTLINE

SUNFISH STATE UNIT
CHAVES COUNTY, NEW MEXICO

EXHIBIT "A"



8847 SAN FELIPE, SUITE 3600
HOUSTON, TEXAS

Unit Name Sunfish State Unit
 Operator BHP Petroleum Inc.
 County Chaves County, NM

Rev 6-14-80

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
May 7, 1990	Case No.: 9908 Order No.: R-9159	May 7, 1990	2235.08	2195.87	-0-	Fee: 39.21	Strict	5

UNIT AREA

T9S, R27E

Section 32: E/2

T10S, R27E

Section 5: ALL
 Section 7: ALL
 Section 8: ALL

TERMINATED

TRACT 7 IS NOT COMMITTED TO THE UNIT AGREEMENT AT THIS TIME, TRACT 7 IS A FEE LEASE.
 ALL STATE TRACTS ARE COMMITTED TO THE UNIT AGREEMENT AT THIS TIME.

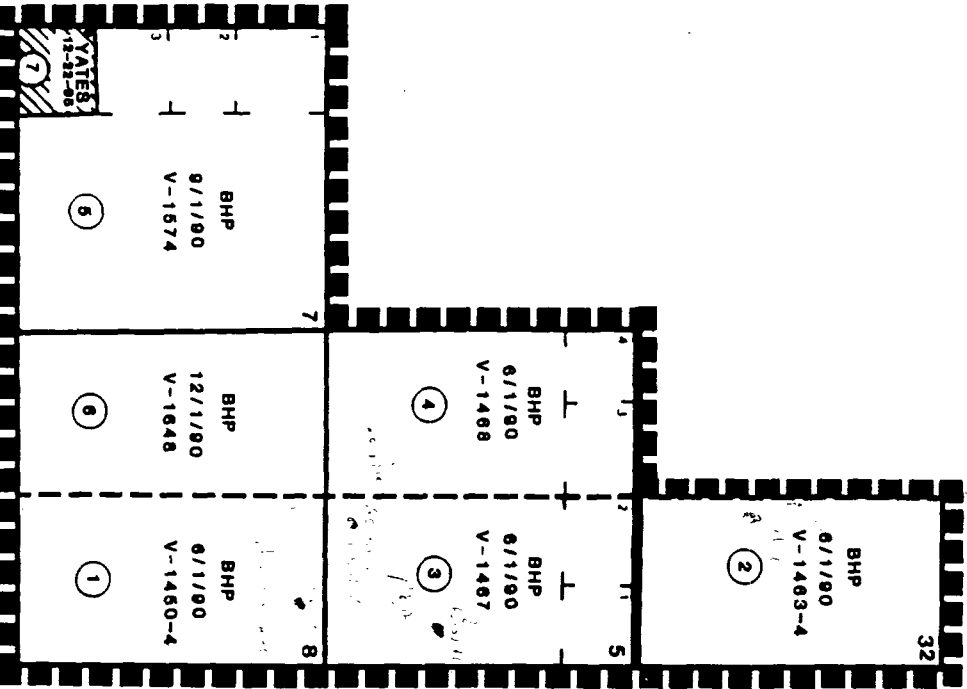
ENTIRETY OF THE
APPROVAL UNIT

TERMINATED

ERR 9/15/97

App. 10/8/97

R-27-E



T 9 S

T 10 S



STATE LANDS 2,195.87 ACRES - 98.246%



FEE LANDS 39.21 ACRES - 1.754%



TRACT NUMBER

UNIT OUTLINE

SUNFISH STATE UNIT
CHAVES COUNTY, NEW MEXICO

EXHIBIT "A"



6647 SAN FELIPE, SUITE 3600
HOUSTON, TEXAS

EXHIBIT 'B'
 To Unit Agreement
 Sunfish State Unit
 Chaves County, New Mexico

TERMINATED
 Date: 9-15-91
 Date: 11/18/91

Beneficiary

Tract #	Land Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner	
1	T10S-R27E Sec. 8: E/2	320.00	V-1450-4 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	8.33%	BHP Petroleum Company Inc.	100% <u>C.S.</u>
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3	T10S-R27E Sec. 5: Lots 1,2, S/2 NE/4, SE/4	319.01	V-1467 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>Wat.R.S.</u>
4	T10S-R27E Sec. 5: Lots 3,4, S/2 NW/4, SW/4	319.35	V-1468 06/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>C.S.</u>
5	T10S-R27E Sec. 7: Lots 1,2,3, E/2, E/2 W/2	597.51	V-1574 09/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>C.S.</u>
6	T10S-R27E Sec. 8: W/2	320.00	V-1648 12/01/90	State of N.M. 16.67%	BHP Petroleum Company Inc.	None	BHP Petroleum Company Inc.	100% <u>C.S.</u>
TOTAL STATE ACREAGE								<u>2,195.87</u>

TERMINATED
 EFFECTIVE DATE: 9-15-91
 APPROVAL DATE: 11-18-91

EXHIBIT "B"
 To Unit Agreement
 Surficial State Unit
 Chaves County, New Mexico

Tract #	Land Description	No. of Acres	Serial No. & Exp. Date	Basic Royalty Ownership %	Lessee of Record	Overriding Royalty	Working Interest Owner	
7	T10S-R27E Sec. 7; Lot 4	39.21	12/22/95	18.75%	Yates Petroleum Corporation	1.25%	Yates Petroleum Corporation Yates Drilling Company ABO Petroleum Corporation Myco Industries, Inc.	40% 20% 20% 20%
TOTAL FEE ACREAGE		<u>39.21</u>						

*20% 7-1-10 20%
 Subsequent to 12/22/95*

RECAPITULATION

2,195.87 Acres of State of New Mexico Lands	98.246%
<u>39.21 Acres of Fee Lands</u>	<u>01.754%</u>
2,235.08	100.000%

Comm. 12/22/95