

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. 8355
Order No. R-7782

APPLICATION OF YATES PETROLEUM CORPORATION
FOR A UNIT AGREEMENT, CHAVES AND OTERO
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 14, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 17th day of January, 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, Yates Petroleum Corporation, seeks approval of the One Three Unit Agreement covering 176,946.47 acres, more or less, of State, 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 One Three Unit Agreement, covering the 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.

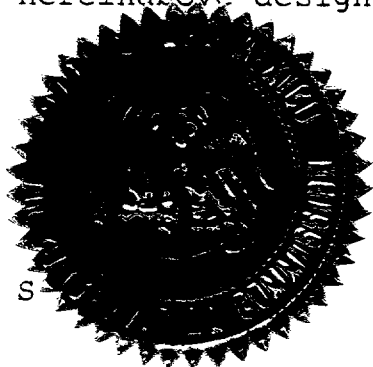
(5) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the appropriate agency of the United States Department of the Interior; this order shall terminate ipso facto upon the termination of said unit agreement; 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

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS,
Director

OTERO COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 15 EAST, NMPM

Sections 20 through 29: All

Sections 32 through 36: All

TOWNSHIP 17 SOUTH, RANGE 14 EAST, NMPM

Section 12: S/2 S/2

Section 13: All

Sections 24 and 25: All

Sections 35 and 36: All

TOWNSHIP 17 SOUTH, RANGE 15 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 18 SOUTH, RANGE 14 EAST, NMPM

Sections 1 through 3: All

Sections 10 through 16: All

Sections 21 through 29: All

Sections 32 through 36: All

TOWNSHIP 18 SOUTH, RANGE 15 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 19 SOUTH, RANGE 14 EAST, NMPM

Sections 1 through 20: All

Section 21: Lots 1 through 8

Section 22: Lots 1 through 4, NW/4

Section 23: N/2

TOWNSHIP 19 SOUTH, RANGE 15 EAST, NMPM

Sections 1 through 12: All

Section 17: N/2

Section 18: All

CHAVES COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 16 EAST, NMPM

Sections 9 and 10: All

Sections 15 and 16: All

Sections 19 through 23: All

Sections 25 through 36: All

TOWNSHIP 17 SOUTH, RANGE 16 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 18 SOUTH, RANGE 16 EAST, NMPM

Sections 1 through 36: All

CASE NO. 8355
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EXHIBIT "A"

TOWNSHIP 18 SOUTH, RANGE 17 EAST, NMPM

Sections 3 through 10: All

Sections 15 through 22: All

Sections 27 through 34: All

TOWNSHIP 19 SOUTH, RANGE 16 EAST, NMPM

Section 1: Lots 5 through 12

Sections 2 through 9: All

Section 17: N/2

Section 18: All

TOWNSHIP 19 SOUTH, RANGE 17 EAST, NMPM

Section 6: Lots 1 through 5, S/2 NE/4,
SE/4 NW/4