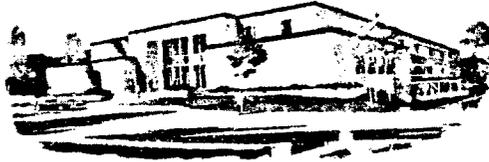


State of New Mexico

#8356



JIM BACA  
COMMISSIONER

## Commissioner of Public Lands

April 9, 1986

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Used  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Yates Petroleum Corporation  
Attn: Mr. Janet Richardson  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Termination of  
Caja Del Rio Grande Unit  
Santa Fe County, New Mexico

Gentlemen:

The Bureau of Land Management has notified this office that the Caja Del Rio Grande Unit Agreement has been terminated automatically as of March 13, 1986.

Article 9 of the unit agreement requires the unit operator to commence to drill a well within six months after the effective date of the unit agreement. Our records also indicate that no drilling has occurred within the unit area. In view of the above the Caja Del Rio Grande Unit Agreement is considered to have automatically terminated effective as of March 13, 1986.

Please advise all interested parties of this action.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

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

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico

BLM-Albuquerque, New Mexico Attn: Fluids Branch

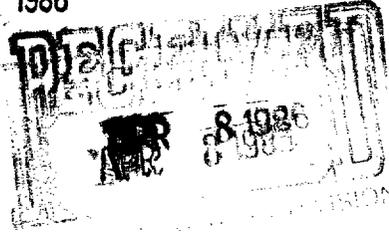
*1*

Bureau of Land Management  
Albuquerque District Office  
General Division  
P.O. Box 2770  
Albuquerque, NM 87197-5770

Casa del  
Rio Grande  
3100 (015)

APR 04 1986

APR 8 1986



Yates Petroleum Corporation  
ATTN: Janet Richardson  
207 South Fourth St.  
Artesia, NM 88210

Gentlemen:

The Casa del Rio Grande Unit Agreement, No. 14-08-0001-19593, Santa Fe County, New Mexico was approved September 13, 1985, effective as of that date. The terms of the unit agreement require that the unit operator commence drilling operations on an adequate test well within six months after the effective date.

Our records indicate that no drilling has occurred in the Casa del Rio Grande Unit. The unit agreement is considered to have terminated automatically as of March 13, 1986, pursuant to section 9 of the unit agreement.

Sincerely,

(Orig. Signed) - Sid Vogelpohl

For District Manager

cc:  
Micrographics (943B-1)  
FRAH Fluids (016)  
\*NMSO (943C)  
✓ NMOCD, Santa Fe  
Com. of Pub. Lands  
Albuq. Cartographics  
O&G chron

015:RKent:kls:4-1-86:1693M

\*Note to leasing unit (NMSO): We recommend that the Federal leases committed to this unit not receive a two year extension because no drilling took place.

Resource Management  
Albuquerque District Office  
Minerals Division  
P.O. Box 6770  
Albuquerque, NM 87197-6770

APR 14 1986

Caja del  
Rio Grande  
3100 (015)

Yates Petroleum Corporation  
ATTN: Janet Richardson  
207 South Fourth St.  
Artesia, NM 88210

Gentlemen:

Our letter dated April 4, 1986, contains a typographical error. The unit agreement that was terminated is the Caja del Rio Grande not the Casa del Rio Grande as was stated in our letter. Please make the necessary corrections to your records.

Sincerely,

(Date Signed) MARY A. STEWART

For District Manager

cc:  
Micrographics (943B-1)  
FRA Fluids (016)  
EMSO (943C)  
✓ ENOC  
Com. of Pub. Lands  
Albuq. Cartographics  
O&G chron

015:RKent:kln:4-9-86:1733M



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

December 19, 1984

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. Chad Dickerson  
Losee, Carson & Dickerson  
Attorneys at Law  
Post Office Drawer 239  
Artesia, New Mexico 88211-0239

Re: CASE NO. 8356  
ORDER NO. R-7750

Applicant:

Peyton Yates

Dear Sir:

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

Sincerely,

R. L. STAMETS  
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD   x    
Artesia OCD   x    
Aztec OCD   x  

Other \_\_\_\_\_  
\_\_\_\_\_



RECEIVED JUL 13 1984

IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

505 Marquette Avenue N.W.  
P.O. Box 6770  
Albuquerque, New Mexico 87197-6770

Caja Del Rio  
Grande Unit  
La Mesa

JUL 12 1984

Petyon Yates  
Attention: Mr. Randy G. Patterson  
207 South Fourth Street  
Artesia, NM 88210

Gentlemen:

We have received your drilling proposal dated June 28, 1984, for these two proposed unit designation areas. We are willing to accept the two well commitment for the La Mesa Unit Area as long as the second well tests the northern half of the proposed area.

We will not accept a two-well commitment for the Caja Del Rio Grande Area as long as it remains such a large area. As we discussed in the unit designation conference, we believe that a three-well commitment would be a minimum to test such a large area. Therefore, we would only accept a proposal which included three wells, each to test approximately one-third of the proposed Caja Del Rio Grande unit area.

We are responding to your letter by letter because our decision does not concur with your proposal, rather than by telephone as requested, so that our position is clear.

Also, enclosed is a copy of the newest unit format. You will need to incorporate the multiple well language, which we provided to you at the unit designation conference. If you have any questions, please call Sue E. Umshler at 766-2668.

Sincerely yours,

*Guy A. Stephens*  
For District Manager

PEYTON YATES  
Case No. 8356  
10/17/84 Examiner Hearing  
Exhibit No. 4



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

July 3, 1985

50 YEARS



1935 - 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Peyton Yates  
207 South Fourth Street  
Artesia, New Mexico 88210

Attention: Randy G. Patterson

Re: Caja Del Rio Grande Unit  
Request for Unit Acreage  
Contraction, Santa Fe and  
Sandoval Counties, New  
Mexico

Dear Mr. Patterson:

Your request to contract the unit acreage for the Caja Del Rio Grande Unit, approved under Division Order No. R-7750, has been reviewed. The Oil Conservation Division has no objection to your proposed unit changes and we have so noted the contractions, as described on the attached sheet, in our records.

Sincerely,

R. L. STAMETS  
Director

RLS/GPQ/fd

cc: Roy Johnson, Santa Fe  
✓ Case File 8356  
Ray Graham, State Land Office  
Gilbert P. Quintana, Examiner

ACREAGE DELETIONS TO THE  
CAJA DEL RIO GRANDE UNIT  
SANTA FE AND SANDOVAL COUNTIES, NEW MEXICO

TOWNSHIP 15 NORTH, RANGE 6 EAST, NMPM

Section 11: Lots 1 through 4

Section 12: S/2, Lots 1 through 4

Section 13: N/2 NE/4, NE/4 NW/4, and  
Lots 1 through 4

Section 14: Lot 1

TOWNSHIP 15 NORTH, RANGE 7 EAST, NMPM

Section 7: S/2 S/2

TOWNSHIP 16 NORTH, RANGE 6 EAST, NMPM

Sections 1 through 3: All

Sections 10 through 15: All

Sections 22 through 24: All

A tract of land lying in the La Majada Grant

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. 8356  
Order No. R-7750

APPLICATION OF PEYTON YATES  
FOR A UNIT AGREEMENT,  
SANTA FE AND SANDOVAL COUNTIES,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 17, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 18th day of December, 1984, 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, Peyton Yates, seeks approval of the Caja Del Rio Grande Unit Agreement covering 122,857.15 acres, more or less, of State, Federal and Fee lands in Santa Fe and Sandoval Counties, New Mexico, described as follows:

*delete*

TOWNSHIP 15 NORTH, RANGE 6 EAST, NMPM  
A tract of land lying in the La Majada  
Grant  
Section 11: Lots 1 through 4  
Section 12: S/2, Lots 1 through 4  
Section 13: N/2 NE/4, NE/4 NW/4,  
          Lots 1 through 4  
Section 14: Lot 1

TOWNSHIP 15 NORTH, RANGE 7 EAST, NMPM

Section 1: N/2 N/2, Lots 7 through 10  
Section 2: N/2 N/2, S/2 NW/4, SE/4 SW/4,  
Lots 1 through 11  
Section 3: W/2 W/2, NE/4, N/2 SE/4,  
Lots 1 through 7  
Sections 4 through 6: All  
Section 7: S/2, S/2 N/2, Lots 1 through 4  
Section 8: N/2, Lots 1, 3, and 5  
Section 9: N/2, Lots 1, 3, 5, and 7  
Section 10: Lots 1 through 3, Lots 5 through 7  
Section 11: Lots 1 and 2  
Section 18: Lots 1, 2, 5, and 7, NE/4, N/2 NW/4

TOWNSHIP 16 NORTH, RANGE 6 EAST, NMPM

Sections 1 through 3: All  
Sections 10 through 15: All  
Sections 22 through 24: All  
A tract of land lying in the La Majada Grant

TOWNSHIP 16 NORTH, RANGE 7 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 16 NORTH, RANGE 8 EAST, NMPM

Sections 6 and 7: All  
Sections 18 and 19: All  
Sections 30 and 31: All  
Section 5: N/2, SW/4, W/2 SE/4, Lot 1  
Section 8: NW/4, W/2 SW/4, Lots 1 through 4  
Section 17: Lots 1 through 4  
Section 20: Lots 1 and 2

TOWNSHIP 17 NORTH, RANGE 7 EAST, NMPM

Sections 1 through 36: All

TOWNSHIP 17 NORTH, RANGE 8 EAST, NMPM

Sections 3 through 10: All  
Sections 15 through 22: All  
Sections 29 through 32: All

TOWNSHIP 18 NORTH, RANGE 7 EAST, NMPM

Section 1: All  
Sections 11 through 15: All  
Sections 22 through 28: All  
Sections 31 through 36: All  
Sections 2, 10, 16, 20, 21, 29 and 30: All that  
part lying East of the Rio Grande River

TOWNSHIP 18 NORTH, RANGE 8 EAST, NMPM

Sections 3 through 11: All  
Sections 14 through 22: All  
Sections 27 through 34: All  
Section 1: Lots 1 through 3  
Section 2: SW/4, S/2 SE/4, Lots 1 through 6  
Section 12: W/2, W/2 SE/4, Lots 1 through 4

TOWNSHIP 19 NORTH, RANGE 7 EAST, NMPM

Sections 25 and 36: All  
Section 35: All that part lying East of  
Rio Grande River

TOWNSHIP 19 NORTH, RANGE 8 EAST, NMPM

Sections 27 through 34: All  
Section 26: W/2 SW/4, SW/4 NW/4, Lots 1  
through 4  
Section 35: W/2 NW/4, NW/4 SW/4, Lots 1  
through 4

(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 Caja Del Rio Grande Unit Agreement 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; 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.

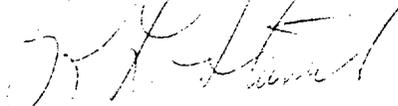
(4) All plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(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; 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) 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.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

S E A L

State of New Mexico



Commissioner of Public Lands

June 26, 1985

8354

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery User  
910 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

JIM BACA  
COMMISSIONER

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Caja Del Rio Grande Unit  
Santa Fe County, New Mexico

ATTENTION: Ms. Janet Richardson

Gentlemen:

This office is in receipt of your revised preliminary copies of the Caja Del Rio Grande Unit Agreement embracing approximately 107,346.67 acres in Santa Fe County, New Mexico. These revised exhibits have this date been accepted and filed in our unit files.

Inasmuch as all State leases within this unit will expire on July 1, 1985, please submit revised exhibits "A" and "B" reflecting any changes in ownership.

The filing fee for a unit agreement is Thirty Dollars for every section or partial section thereof. Please remit a filing fee in the amount of \$5,520.00.

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: *Ray D. Graham*  
RAY D. GRAHAM, Director  
Oil and Gas Division  
AC 505/827-5744

JB/RDG/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Albuquerque, New Mexico Attn: Fluids Branch  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



207 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210

TELEPHONE (505) 748-1331

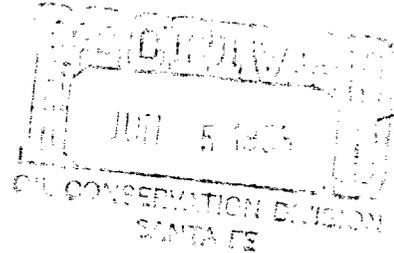
S. P. YATES  
PRESIDENT  
MARTIN YATES, III  
VICE PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. TREAS.

June 3, 1985

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

Attention: Mr. Gilbert Quintana

Re: Caja Del Rio Grande Unit  
Santa Fe County, New Mexico  
Order No. R-7750



Dear Mr. Quintana:

As we discussed May 24th, when I visited your office, we have determined that the La Majada Fault should be taken into consideration for the captioned unit. This will eliminate a block of acreage on the south and west edge of the unit. At that time, you indicated your willingness to consider this amendment.

We are enclosing a copy of the formal geological report, prepared by Dr. Bruce Black, which shows our reasoning for the unit boundaries as proposed. We are also enclosing a copy your Order No. R-7750 with the requested changes highlighted.

We are preparing copies of the unit agreement and unit operating agreement and as soon as those are finalized, executed copies will be forwarded to you.

Also, please note that we request a change of operator from Peyton Yates to Yates Petroleum Corporation.

We respectfully request that Order No. R-7750 be amended per these requested changes and that the amendments be expedited so that this unit may be approved prior to July 1, 1985.

Thank you for your kind consideration.

Very truly yours,

YATES PETROLEUM CORPORATION

Randy G. Patterson  
Land Manager

RGP/dw  
Enclosure

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. 8356  
Order No. R-7750

APPLICATION OF PEYTON YATES  
FOR A UNIT AGREEMENT,  
SANTA FE AND SANDOVAL COUNTIES,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 17, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 18th day of December, 1984, 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. (YATES PETROLEUM CORPORATION) ?

(2) The applicant, Peyton Yates, seeks approval of the Caja Del Rio Grande Unit Agreement covering 122,857.15 acres, more or less, of State, Federal and Fee lands in Santa Fe and Sandoval Counties, New Mexico, described as follows:

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A tract of land lying in the La Majada  
Grant  
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Section 12: S/2, Lots 1 through 4  
Section 13: N/2 NE/4, NE/4 NW/4,  
Lots 1 through 4  
Section 14: Lot 1

DELETE

TOWNSHIP 15 NORTH, RANGE 7 EAST, NMPM

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Section 2: N/2 N/2, S/2 NW/4, SE/4 SW/4,  
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Sections 4 through 6: All  
*DELETE* Section 7: S/2, ~~N~~/2 N/2, Lots 1 through 4  
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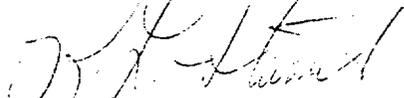
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(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
R. L. STAMETS,  
Director

S E A L