

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY JR.
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT*
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO

JOHN C. CHAMBERS*
THOMAS D. HAINES, JR.
FRANKLIN H. MCCALLUM*
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW
FRED W. SCHWENDIMANN
DAVID MORAN
JAMES R. MCADAMS*
JAMES M. HUDSON
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM R. JOHNSON
KAREN M. RICHARDSON*
ELLEN S. CASEY
MARGARET C. LUDEWIG
SUSAN L. NIESER*
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
WANA RADEMAEKERS*
S. BARRY PAISNER

ATTORNEYS AT LAW
700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510

2800 CLAYDESTA NATIONAL BANK BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554

500 MARQUETTE N.W., SUITE 740
ALBUQUERQUE, NEW MEXICO 87102-2121
(505) 768-1500

OF COUNSEL
O. M. CALHOUN
MACK EASLEY
JOE W. WOOD
STEPHEN L. ELLIOTT

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNOODGRASS, JR. (1914-1987)

*NOT LICENSED IN NEW MEXICO

January 9, 1989

Case 9589

Oil Conservation Division
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: Mr. David R. Catanach

Dear David:

Pursuant to our telephone conversation of this date, please find enclosed the Application of Murphy Operating Corporation for the expansion of the Haley Chaveroo San Andres Unit. Please set this matter for hearing on February 1, 1989. Thanking you in advance for your cooperation, I remain,

Yours very truly,

HINKLE, COX, EATON, COFFIELD & HENSLEY



T. Calder Ezzell, Jr.

TCE/tw
Enclosure

cc: Murphy Operating Corporation

RECEIVED
JAN 15 1989
OIL CONSERVATION DIVISION

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MURPHY OPERATING
CORPORATION FOR APPROVAL OF
EXPANSION OF HALEY CHAVEROO
SAN ANDRES UNIT, CHAVES AND
ROOSEVELT COUNTIES, NEW MEXICO

No. 9589

Murphy Operating Corporation hereby applies to the New Mexico Oil Conservation Division for an order approving the expansion of the Haley Chaveroo San Andres Unit by the inclusion therein of the following lands:

Chaves County, New Mexico

Township 8 South, Range 33 East, N.M.P.M.

Section 3: SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

comprising 80 acres, more or less.

and in support thereof, states:

1. Statutory authority for the Haley Chaveroo San Andres Unit is found in Section 19-10-45, et seq., N.M.S.A. 1978 Comp.
2. Applicant, Murphy Operating Corporation, is the operator of the Haley Chaveroo San Andres Unit pursuant to the terms of the Unit Agreement and Unit Operating Agreement, each dated August 16, 1988, and effective August 15, 1988.
3. The Haley Chaveroo San Andres Unit Agreement was approved by Oil Conservation Division Order No. R-8750 entered September 28, 1988 in Case 9477; and the Haley Chaveroo San Andres Waterflood Project was approved by Oil Conservation Division Order No. R-8760 entered October 5, 1988 in Case No. 9478.
4. Authority for the proposed expansion of the Haley Chaveroo San Andres Unit is found in Section 4 of the Unit Agreement

previously submitted to the Division as well as in Finding No. Four (4) and Order Paragraph (4) of Division Order R-8750.

5. The owners of 100% of the working interest within the current Haley San Andres Unit, as well as the owners of 100% of the working interest relative to the leases and lands for which expansion is sought, have consented to the proposed expansion.

6. Under the proposed expansion, the State and each beneficiary of the lands involved will receive its fair share of the recoverable oil or gas in place under its lands in the area affected and the proposed unit expansion is in all respects for the best interest of the State and will prevent waste and protect correlative rights.

7. Exhibit "A" attached hereto shows a map of the Unit Area, expanded as proposed herein. Exhibit "B" attached hereto is an amended schedule of ownership and leases within the unit area, as expanded, together with the new Unit tract participation factors resulting from the proposed expansion.

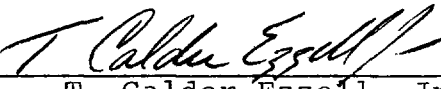
WHEREFORE, Murphy Operating Corporation requests that this application be set for hearing before the Division at the earliest possible date, and that the Division enter its order amending Division Order No. R-8750 to approve the expansion of the Haley Chaveroo San Andres Unit to include the SW $\frac{1}{4}$ SW $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township 8 South, Range 33 East, N.M.P.M., Chaves County, New Mexico, and also amending Order No. R-8760 so that said Order will apply to the Haley Chaveroo San Andres Unit, as expanded.

Applicant further incorporates in this Application, by this reference, the evidence offered and exhibits entered in Case Nos. 9477 and 9478, as amended by Exhibits "A" and "B" attached hereto.

DATED: January 9, 1989.

Respectfully submitted,

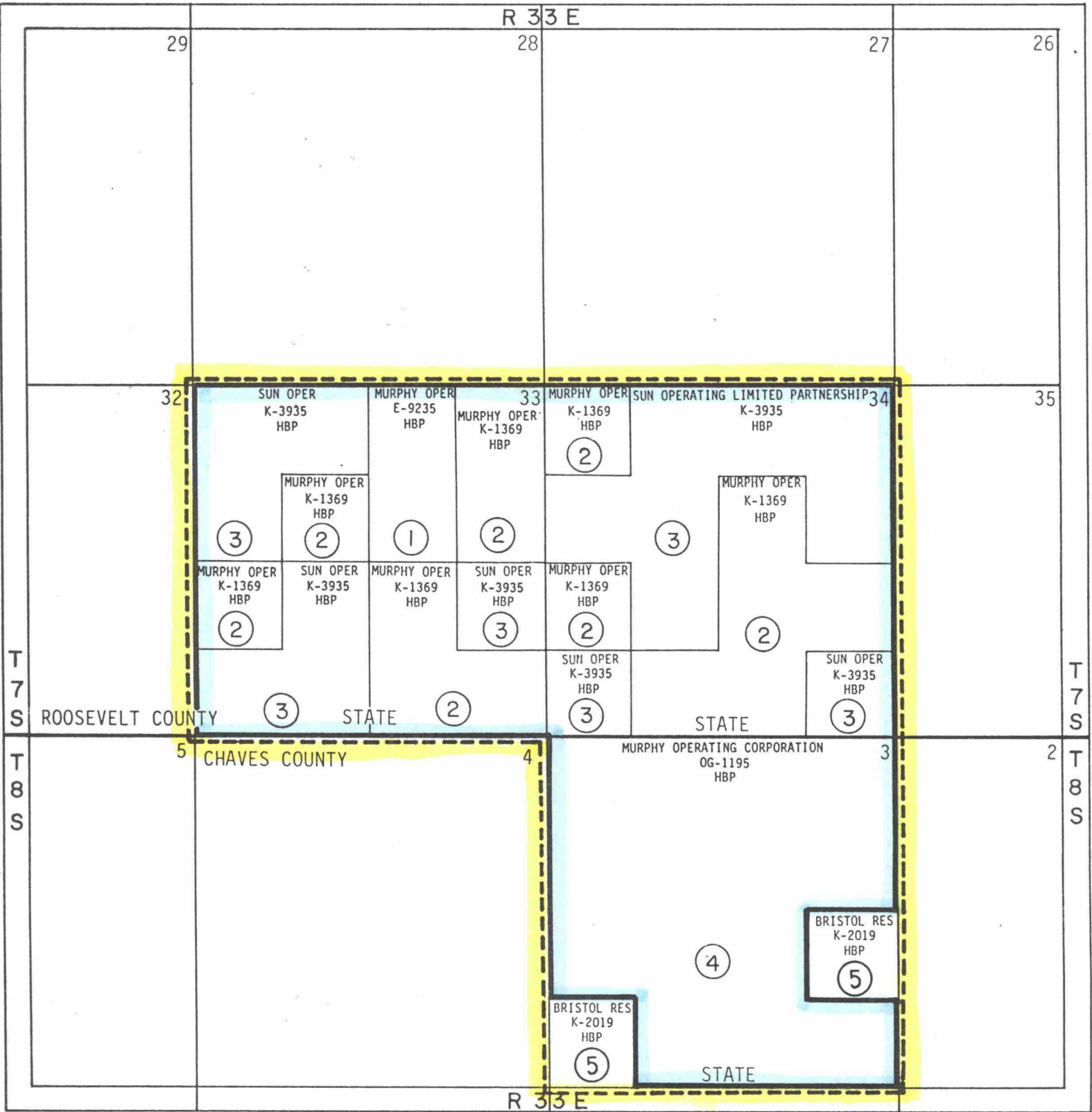
HINKLE, COX, EATON, COFFIELD & HENSLEY

By: 
T. Calder Ezzeil, Jr.
P. O. Box 10
Roswell, New Mexico 88202
(505) 622-6510

ATTORNEYS FOR APPLICANT - MURPHY OPERATING
CORPORATION

EXHIBIT "A"

HALEY CHAVEROO SAN ANDRES UNIT
CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO



SCALE: 1" = 2000'

- TRACT NUMBER
 - UNIT OUTLINE
 - STATE LANDS
 - ORIGINAL UNIT OUTLINE
 - EXPANDED UNIT OUTLINE
- 1,920.70 ACRES
100% UNIT AREA

MAP REVISED 01 - 03 - 89

EXHIBIT "B" TO UNIT AGREEMENT
HALEY CHAVEROO SAN ANDRES UNIT
CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO

(Revised 01/04/89)

EXHIBIT "B"

Tract No.	Lease Name, Description of Land, and No. Acres	Serial No. & Lease Date	Lessee of Record	Overriding Royalty		Basic Royalty & Percentage	Owner or Production Payment Interest (PPI)	Percent Ownership	San Andres Production		W.I.	
											Percent Ownership	Percent Unit Participation
1.	Hobbs U T-7-S, R-33-E Sec. 33: W½/NE¼ 80.00 acres	E-9235-6 8/16/55	Murphy Operating Corporation	State of N.M. 12.5%	None	--	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000			0.629825 2.834213 1.574563 5.038601	
2.	Hobbs T T-7-S, R-33-E Sec. 33: E½NE¼, SE¼NW¼, NW¼SW¼, W½SE¼, SE¼SE¼ Sec. 34: NW¼NW¼, SW¼NE¼, NW¼SW¼, SE¼SW¼, N½SE¼, SW¼SE¼ 560.00 acres Roosevelt County, N.M.	K-1369-3 4/18/61	Murphy Operating Corporation	State of N.M. 12.5%	None	--	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000			4.303635 19.366356 10.759087 34.429078	
3.	State AZ T-7-S, R-33-E Sec. 33: N½NW¼, SW¼NW¼, NE¼SW¼, S½SW¼, NE¼SE¼ Sec. 34: SW¼NW¼, E½NW¼, N½NE¼, SE¼NE¼, NE¼SW¼, SW¼SW¼, SE¼SE¼ 640.00 acres Roosevelt County, N.M.	K-3935-1 2/18/64	Sun Operating Limited Partnership	State of N.M. 12.5%	None	--	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000			4.084404 18.379817 10.211009 32.675230	
4.	State BF T-8-S, R-33-E Sec. 3: Lots 1, 2, 3, 4, S½N½, N½SW¼, SE¼SW¼, W½SE¼, SE¼SE¼ 560.70 acres Chaves County, N.M.	OG-1195-2 8/20/57	Murphy Operating Corporation	State of N.M. 12.5%	None	--	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000			2.895068 13.027809 7.237672 23.160549	
5.	Champlin State T-8-S, R-33-E Sec. 3: NE¼SE¼, SW¼SW¼ 80.00 acres Roosevelt County, N.M.	K-2019 12/19/61	Bristol Resources 1987-1 Acquisition Program	State of N.M. 12.5	None	--	Bristol Resources 1987-1 Acquisition Program	100.00000 100.00000			4.696542 4.696542	
TOTAL STATE ACREAGE									GRAND TOTAL		100.000000	
TOTAL UNIT ACREAGE									1,920.70 = 100% of Unit		1,920.70	

Mr. [unclear]
[unclear]
Santa Fe

Case No.

Application of Murphy Operating Corporation
for expansion of unit area, Chaves and Roosevelt
Counties, New Mexico.

Applicant, in the above-styled cause, seeks authority
to expand the Haley Chaveroo San Andres Unit Area,
authorized by Division Order No. A-8750, to include an
additional 80 acres of State lands in ~~Section 3~~ Section 3
Township 8 ~~South~~ South, Range 33 East, ~~Chaves~~
~~County Chaves County~~. Chaveroo San Andres
Pool, Chaves County. Said unit area is located
approximately 13 miles west of Lordsburg, New
Mexico.

W



MURPHY OPERATING CORPORATION
UNITED BANK PLAZA, SUITE 300
400 NORTH PENNSYLVANIA AVENUE
POST OFFICE BOX 2648
ROSWELL, NEW MEXICO 88202-2648

TELEPHONE
505 623-7210

January 4, 1989

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. David R. Catanach, Examiner
Oil Conservation Division
Energy and Minerals Department
State of New Mexico
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

← THIS COPY IS FOR

Mr. Floyd O. Prando, Director
Oil and Gas Division
State of New Mexico
Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

Attention: Mr. Pete Martinez

Case 9589

Re: NOTICE OF PROPOSED UNIT EXPANSION:
EXPANSION OF UNIT BOUNDARIES TO INCLUDE:
Township 8 South, Range 33 East, NMPM
Section 3: NE/4SE/4, SW/4SW/4
Roosevelt County, New Mexico

Haley Chaveroo San Andres Unit
Chaves and Roosevelt County, New Mexico

Gentlemen:

Pursuant to Bristol Resources Corporation's agreement to participate in the Haley Chaveroo San Andres Unit (the "Unit") by contributing the captioned lease to the Unit, I have enclosed herewith for your review and further consideration the following revised exhibits:

1. Exhibit "A", Unit Area Map, to the Unit Agreement;
2. Exhibit "B", Schedule of Tracts and Participation, to the Unit Agreement;
3. Exhibit "C", Percentage of Unit Participation Schedule, to the Unit Operating Agreement; and
4. Exhibit VIII.H., Derivation of Tract Participation Factors, from "file folder 3" of the set of files in connection with our application for Unit approval to the New Mexico Oil Conservation Division and the Office of the State Land Commissioner. This chart shows how the Bristol tract participation factor was calculated.

The procedure for expansion of the Unit area is outlined in Section 4 of the Unit Agreement. Pursuant to Section 4 B.(1), please consider this to be formal notice of the proposed expansion of the Unit boundaries to include the NE/4SE/4 and the SW/4SW/4 of Section 3, Township 8 South, Range 33 East, N.M.P.M., Roosevelt County, New Mexico. This acreage is necessary to promote the conservation of oil and gas and the better utilization of reservoir energy. Under the operations proposed, the State and each beneficiary of the lands involved will receive its fair share of the recoverable oil and gas in place under its lands in the area affected, and the proposed Unit, as expanded, and waterflood project is in all other respects for the best interest of the State and will prevent waste and protect correlative rights.

As stated to the Office of the State Land Commissioner and to the New Mexico Oil Conservation Division, it was not previously possible to obtain voluntary joinder by the owner of this acreage at the time of the original unitization proceedings because this tract was involved in a sale by broker. However, the new owner has agreed to join the Unit and participate in the waterflood project.

Based upon the original tract participation formula as contained in Section 12 of the Unit Agreement and as approved by the appropriate governing bodies, the tract participation percentage allocated to this additional tract shall be 4.696542. The revised tract participation of the respective tracts included within the Unit area prior to this enlargement remains in the same ratio of one to another.

The effective date of the joinder and the revised tract participation percentages shall be January 1, 1989. This will permit the new unit participant to share in ~~the costs of the waterflood project from its inception.~~ Please be advised that thirty (30) days will be allowed for your submittal to the Unit Operator of any objections to such proposed expansion.

Upon expiration of the 30-day period as set out in Section 4.B.(2) of the Unit Agreement, the Commissioner and the Division will be provided with a formal application for such expansion, instruments containing appropriate joinders, evidence of mailing copies of this expansion and any objections received by the Unit Operator.

Please contact me should you have any questions or comments regarding this proposed expansion.

Sincerely,

MURPHY OPERATING CORPORATION
Unit Operator of the
Haley Chaveroo San Andres Unit

Ann Murphy Ezzell

Ann Murphy Ezzell, Esq.
Chairman and Chief Executive Officer

AME:fnr

cc: John H. Slayton, Esq., Vice President
P.A.J.W. Corporation
Suite 953, Watergate 600
600 New Hampshire, N. W.
Washington, District of Columbia 20037

Mr. Murray C. McKinnon, President
American Energy Capital Corporation
1111 Fannin, Suite 1470
Houston, Texas 77002

Mr. Robert W. Key
Bristol Resources Corporation
3601 East 51st Street
Tulsa, Oklahoma 74135

T. Calder Ezzell, Jr., Esq.
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Box 10
Roswell, New Mexico 88202-0010

*Effective date
of amendment to
unit order
proposed to
be Jan 1, 1989,
the date of inception
of project.
- check (w/ R. Anderson)*

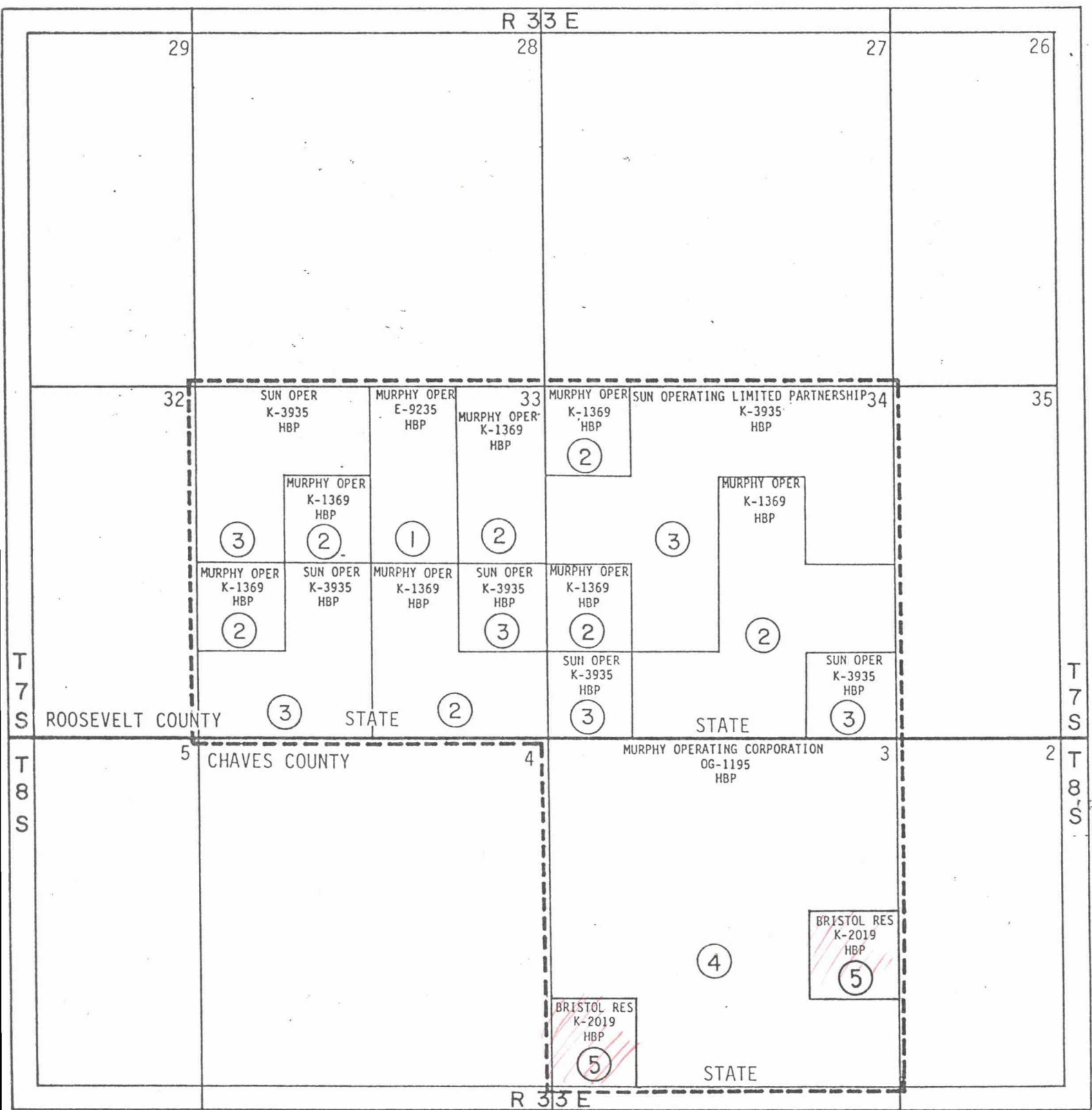
*David -
Please disregard my
correspondence dated
December 23, 1988. This is
the corrected version.
Thanks for your help on
this today. We'll look
forward to hearing from
you when you've had time
to look it all over.*

Ann

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN UNIT AGREEMENT, HALEY CHAVEROO
SAN ANDRES UNIT, COUNTIES OF CHAVES AND ROOSEVELT, STATE OF NEW MEXICO,
DATED AUGUST 15, 1988.

HALEY CHAVEROO SAN ANDRES UNIT CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO



SCALE: 1" = 2000'

○ TRACT NUMBER

----- UNIT OUTLINE

□ STATE LANDS

1,920.70 ACRES

100% UNIT AREA

MAP REVISED 01 - 03 - 89

EXHIBIT "B" TO UNIT AGREEMENT
HALEY CHAVEROO SAN ANDRES UNIT
CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO

Tract No.	Lease Name, Description of Land, and No. Acres	Serial No. & Lease Date	Lessee of Record	Overriding Royalty		San Andres Production	W.I.	
				Basic Royalty & Percentage	Owner or Production Payment Interest (PPI)	W.I. Ownership	Percent Ownership	Percent Unit Participation
1.	Hobbs U T-7-S, R-33-E Sec. 33: W $\frac{1}{2}$ /NE $\frac{1}{4}$ 80.00 acres	E-9235-6 8/16/55	Murphy Operating Corporation	State of N.M. 12.5%	None	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000	0.629825 2.834213 1.574563 5.038601
2.	Hobbs T T-7-S, R-33-E Sec. 33: E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 34: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ 560.00 acres Roosevelt County, N.M.	K-1369-3 4/18/61	Murphy Operating Corporation	State of N.M. 12.5%	None	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000	4.303635 19.366356 10.759087 34.429078
3.	State AZ T-7-S, R-33-E Sec. 33: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ 640.00 acres Roosevelt County, N.M.	K-3935-1 2/18/64	Sun Operating Limited Partnership	State of N.M. 12.5%	None	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000	4.084404 18.379817 10.211009 32.675230
4.	State BF T-8-S, R-33-E Sec. 3: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ 560.70 acres Chaves County, N.M.	OG-1195-2 8/20/57	Murphy Operating Corporation	State of N.M. 12.5%	None	Murphy Operating Corporation American Energy Capital Corp. P.A.J.W. Corporation	12.50000 56.25000 31.25000 100.00000	2.895068 13.027809 7.237672 23.160549
5.	Champlin State T-8-S, R-33-E Sec. 3: NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ 80.00 acres Roosevelt County, N.M.	K-2019 12/19/61	Bristol Resources 1987-1 Acquisition Program	State of N.M. 12.5	None	Bristol Resources 1987-1 Acquisition Program	100.00000 100.00000	4.696542 4.696542

TOTAL STATE ACREAGE 1,920.70 = 100% of Unit
TOTAL UNIT ACREAGE 1,920.70

GRAND TOTAL 100.000000

EXHIBIT "C"

Attached to that certain Unit Operating Agreement, Haley Chaveroo San Andres Unit, Counties of Chaves and Roosevelt, State of New Mexico, dated August 15, 1988.

(revised 01/04/89)

HALEY CHAVEROO SAN ANDRES UNIT
CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO

<u>UNIT INTEREST OWNER</u>	<u>PERCENTAGE UNIT PARTICIPATION</u>
American Energy Capital Corporation	53.608195
Bristol Resources 1987-A Acquisition Program	4.696542
Murphy Operating Corporation	11.912932
P.A.J.W. Corporation	<u>29.782331</u>
Total	<u>100.000000</u>

See p. 5
for expansion
procedure.

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9478
Order No. R-8760

APPLICATION OF MURPHY OPERATING
CORPORATION FOR A WATERFLOOD PROJECT,
CHAVES AND ROOSEVELT COUNTIES, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on
September 14, 1988, at Santa Fe, New Mexico, before Examiner
David R. Catanach.

NOW, on this 5th day of October, 1988, 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) Division Case Nos. 9478 and 9477 were consolidated
at the time of the hearing for the purpose of testimony.

(3) The applicant, Murphy Operating Corporation, seeks
authority to institute a waterflood project in its Haley
Chaveroo San Andres Unit Area (Division Case No. 9477)
located in portions of Townships 7 and 8 South, Range 33
East, NMPM, Chaves and Roosevelt Counties, New Mexico, by
the injection of water into the San Andres formation from a
depth of approximately 4158 feet to approximately 4470 feet
(or the correlative stratigraphic interval) as found on the

Gamma Ray/Bulk Density Log run on the Murphy Operating Corporation Hobbs "T" Well No. 15 located 990 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, Chaveroo-San Andres Pool, through twenty-three injection wells within the Unit Area shown on Exhibit "A" attached hereto and made a part hereof.

(4) The project area should consist of that area within the boundary of the Haley Chaveroo San Andres Unit Area, as described in Division Order No. R-8750 issued in said Case No. 9477.

(5) The record in this case indicates that by Order No. R-4597 entered in Case No. 5023 on July 23, 1973, the Division authorized the applicant in said case, Skelly Oil Company, to institute a waterflood project on its Hobbs "T" Lease in Sections 33 and 34, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, said project designated the Skelly Hobbs "T" Chaveroo Waterflood Project, by the injection of water into the San Andres formation in its Hobbs "T" Well No. 11 located 660 feet from the South and East lines (Unit P) of said Section 33.

(6) The evidence in this case indicates that said Hobbs "T" Lease, which encompasses 560 acres, more or less, is now contained within the Haley Chaveroo San Andres Unit Area.

(7) The Skelly Hobbs "T" Chaveroo Waterflood Project, as described above, should be terminated.

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

(9) The proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste, and should otherwise protect correlative rights.

(10) 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.

(11) Injection should be accomplished through plastic-lined tubing installed in a packer set approximately 100 feet above the uppermost injection perforation in each well, or in the case of open hole completion, within 100 feet of the casing shoe. The casing-tubing annulus in each injection well should be filled with an inert fluid and a surface pressure gauge or approved leak-detection device should be attached to the annulus.

(12) The injection wells or system should be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 0.2 psi per foot of depth to the uppermost injection perforation. The Division Director should have the authority to administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in fracturing of the confining strata.

(13) Prior to commencing injection operations, the casing in each of the proposed injection wells should be pressure-tested throughout the interval, from the surface down to the proposed packer-setting depth, to assure the integrity of such casing.

(14) All wells within the Unit Area should be equipped with risers or in some other acceptable manner to facilitate the periodic testing of the bradenhead for pressure or fluid production.

(15) The applicant further proposed the establishment of an administrative procedure for the approval without hearing of the drilling of wells at orthodox and unorthodox locations, and also for the expansion of said waterflood project within the unit boundaries.

UNIT AGREEMENT
HALEY CHAVEROO SAN ANDRES UNIT
COUNTIES OF CHAVES AND ROOSEVELT
STATE OF NEW MEXICO

Exhibits "A" and "B" shall be revised by Unit Operator whenever changes render such revision necessary and not less than two copies of such revision shall be filed with the Commissioner and the Division.

SECTION 4. EXPANSION: The Unit Area may, when practicable, be expanded to include therein any additional Tract or Tracts regarded as reasonably necessary or advisable for the purposes of this Agreement. Such expansion shall be effected in the following manner:

(a) The Working Interest Owner or Owners of a Tract or Tracts desiring to bring such Tract or Tracts into the Unit Area shall file an application therefor with Unit Operator requesting such admissions.

(b) Unit Operator shall circulate a notice of the proposed expansion to each Working Interest Owner in the tract or tracts proposed to be included in the Unit and/or affected by the proposed expansion setting out the basis for admission, the Tract Participation proposed to be allocated to such Tract or Tracts, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if, in accordance with the voting procedure set forth in Article 4.3.2 of the Unit Operating Agreement, at least two (2) Working Interest Owners having a combined Unit Participation of sixty percent (60%) or more have agreed to such Tract or Tracts being brought into the Unit Area, then Unit Operator shall, after preliminary concurrence by the Commissioner and the Division:

(1) Prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be allocated thereto, and the proposed Effective Date thereof; and

(2) Furnish copies of said notice to the Commissioner and the Division, to each Working Interest Owner, and to the lessee and lessor whose interests are proposed to be committed, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objections to such proposed expansion; and

(3) File, upon the expiration of said thirty-day period as set out in Subsection (2) immediately above, with the Commissioner and Division the following: (a) Evidence of mailing copies of said notice of expansion; (b) an application for such expansion; (c) an instrument containing the appropriate joinders in compliance with the qualification requirements of Section 13, Tracts Qualified for Unit Participation, *infra*; and (d) copies of any objections received.

The expansion shall, after due consideration of all pertinent information and upon approval by the Commissioner and Division, become effective as of the date prescribed in the notice thereof. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain in the same ratio one to another.

There shall never be any retroactive allocation or adjustment of operating expenses or of interest in the Unitized Substances produced (or the proceeds of the sale thereof) by reason of an expansion of the Unit Area; provided, however, this limitation shall not prevent any adjustment of investment necessitated by such expansion.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this Agreement as provided in Section 13, Tracts Qualified for Unit Participation, as to the Unitized Formation defined in Section 2, Definitions, shall constitute land referred to herein as "Unitized Land" or "land subject to this Agreement". All oil and gas in the Unitized Formation in the Unitized Land are unitized under the terms of this Agreement and herein are called "Unitized Substances".

SECTION 6. UNIT OPERATOR. Murphy Operating Corporation is hereby designated as Unit Operator, and by signing this instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such an interest is owned by it.

CONTINUED CHAVEROD SAN ANDRES

PAGE 141

WELL S T R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1987	PROD MP	ACCUM
14M 5 8533E OIL	74	62	64	69	62	54	68	55	57	56	52	52	725P	12008
GAS	109	10	98	78	65	67	71	70	68	63	97	42	838	22169
WAT	683	574	621	506	485	396	498	403	411	411	156	381	8495	103699
OIL	809	670	672	717	670	605	654	570	506	613	514	574	7674	361787
GAS	2440	1888	2156	1512	1384	1478	1262	1411	1518	1390	1153	992	15554	898057
WAT	6258	5446	5572	4611	4371	3104	4550	3970	3949	4107	3475	3925	51284	926814
STATE 6														
1D 6 8533E OIL	268	232	278	257	285	265	343	286	244	246	245	243	3192P	149278
GAS	2171	2085	2504	2315	2153	2048	2195	3543	1957	1816	1880	1076	26401	402659
WAT	1794	1553	1860	2599	2882	2689	3468	2892	2467	2487	2477	2457	29625	512154
2E 6 8533E OIL	60	52	62	57	63	59	76	66	54	55	55	54	713P	78270
GAS														140288
WAT														176094
4L 6 8533E OIL	30	26	19	22	25	29	28	3	27	27	27	27	290P	125909
GAS	500	482	372	409	381	476	370	77	447	415	427	363	4739	130217
WAT	470	407	313	345	376	470	439	47	423	423	423	423	4559	275689
6F 6 8533E OIL	60	77	93	86	95	88	96	95	81	81	82	81	1045P	100440
GAS	209	201	243	224	212	198	177	341	189	176	182	162	2513	104204
WAT	379	328	396	367	405	379	409	405	345	50	350	345	4158	348698
7G 6 8533E OIL	59	51	62	44	63	59	10	66	54	55	55	54	632P	22301
GAS	53	51	60	43	53	50	7	89	47	44	45	40	585	21853
WAT	30	26	31	22	31	29	5	33	27	27	27	27	315	78687
10J 6 8533E OIL	2245	2185	1598	1512	1723	2153	1671	346	2519	1878	1931	1746	21027	288137
GAS	90	78	57	54	72	90	84	9	81	81	81	81	858	80889
WAT	30	26	18	18	24	30	28	3	27	27	27	27	285P	30107
11H 6 8533E OIL	746	733	538	510	581	726	564	117	682	633	651	585	7084	118154
GAS	30	26	15	18	24	30	28	3	27	27	27	27	286	63824
WAT	201	201	142	141	161	200	155	32	188	175	179	162	1534	29781
14Q 6 8533E OIL	209	180	216	173	214	207	267	229	171	192	189	189	2246P	46649
GAS	1312	1251	1505	1208	1276	1234	1323	2206	1063	1113	1059	1451	18420	14510
WAT	3971	3420	4104	3287	4066	3533	5073	4370	3249	3648	3591	42712	656130	579325
LEASE TOTAL	805	696	785	693	817	797	904	754	712	737	545	729	8974	579325
GAS	7465	7189	6973	6362	6580	6462	6751	6591	6267	5295	5763	7853	1420253	7853
WAT	6794	5864	6795	6710	7880	7650	9534	7762	6646	6770	3412	6978	82799	2265762
STATE 32 07 33 UNIT														
3132 7533E OIL	30	23	26	30	26	16	22	13	20	15	17	20	258P	44338
GAS														96406
WAT	551	437	494	570	494	304	418	228	380	285	323	380	4864	146955
5J32 7533E OIL														17069
INJECTION WELL														24433
GAS														8146
WAT														34891
6032 7533E OIL														54783
LAST PROD. DATE 03/83														113630
GAS														39129
WAT	29	22	9	17	9	16	22	12	20	15	17	20	288P	77271
7N32 7533E OIL	29	22	9	17	9	16	22	12	20	15	17	20	288P	77271
GAS	234	186	73	139	65	129	178	97	162	121	138	162	1683	112688
WAT														29221
10C32 7533E OIL														105094
LAST PROD. DATE 09/85														5003
GAS														78955
WAT	118	90	102	119	103	64	87	50	81	62	69	81	1026P	212685
11H32 7533E OIL	1346	1035	1185	1369	1165	736	1001	575	932	713	794	932	11003	36606
GAS														74918
WAT														129885
14M32 7533E OIL	29	23	26	29	26	16	22	12	20	15	17	20	255P	16663
GAS	446	433	470	208	166	113	124	130	121	126	135	134	2606	14246
WAT	59	47	53	231	174	107	147	80	134	100	114	134	1350	58812
15L32 7533E OIL	29	22	10	11	11	7	11	6	11	8	11	11	137P	13839
GAS	406	24	21	153	140	113	124	120	122	135	135	135	1183	22391
WAT	29	23	9	146	106	146	146	80	133	106	133	107	1057	42186
LEASE TOTAL	235	180	173	206	175	119	164	93	152	115	128	152	1684	282387
GAS	598	541	511	478	358	289	371	389	387	270	403	489	4925	949481
WAT	2219	1728	1814	2424	2064	1382	1890	1060	1741	1325	1369	1741	20757	949481
COMPANY TOTAL	3679	3151	3313	3304	3381	3151	3319	2898	2877	2842	2476	2718	37112	2709505
GAS	15914	14893	14598	13575	12155	14077	12590	13484	13376	12661	11096	10801	150220	4797377
WAT	21366	18370	18897	18594	19499	16950	21233	17313	17697	17154	13088	17339	217403	6895459
UNION TEXAS PETROLEUM CORPORATION														
SHELL CONE PARTIN														
1J35 7532E OIL	56	51	61	95	59	18	13	91	58	138	142	113	895F	61715
GAS	31	28	31	73	40	24	7	58	46	101	119	188	746	39931
WAT	56	60	60	62	31	12	61	57	57	92	57	71	92F	31252
2I35 7532E OIL	62	56	62	31	53	41	105	59	46	101	59	54	765	34511
GAS														
WAT	112	101	121	157	88	49	139	152	96	230	199	170	1614	93567
COMPANY TOTAL	93	84	93	104	93	65	112	117	92	202	178	282	1515	74442
WESTERN STATES PRODUCING COMPANY														
ARCO STATE														
1G 4 8533E OIL														36877
PLUGGING APPROVED 1977														61646
GAS														52618
WAT														
FEDERAL 24														
1E24 7532E OIL														50
PLUGGING APPROVED 1966														25
GAS														100
WAT														
STATE 30														
3L30 7533E OIL														2357
CONVERTED TO SWD														3234
GAS														2101
WAT														
COMPANY TOTAL														39284
OIL														64875
GAS														54819
WAT														
THE WIL-MC OIL CORPORATION														
ATLANTIC RICHFIELD FEDERAL														
1I 8 8533E OIL														8010
PLUGGING APPROVED 1976														24600
GAS														1424
WAT														18195
CHAMPLIN STATE														
1M 3 8533E OIL														2562
PLUGGING APPROVED 1974														32072
GAS														
WAT														
FEDERAL 9														
1B 9 8533E OIL														11596
PLUGGING APPROVED 1975														24630
GAS														50267
WAT														
COMPANY TOTAL														
OIL														
GAS														
WAT														
THE WISER OIL CO														
STATE J														
2G25 7533E OIL														47492
PLUGGING APPROVED 1980														41653
GAS														2827
WAT														
YATES PETROLEUM CORPORATION														
CHARLOTTE ADK STATE														

PLUGGING DIAGRAM
Proposed Haley Chaveroo San Andres Unit
Roosevelt & Chaves Counties, New Mexico

Company Name: THE WIL-MC OIL CORPORATION

Lease Name: Champlin State

Well No.: 1

Location: 660 FWL & 660 FSL, Sec. 3, T8S, R33E

Drilling and Completion Data

360' 8-5/8" csg., cmt w/200
sx. Circulate to surface.

Plugging and Abandonment Data

Spot 10 sx. cement plug @ surface.

Spot 50 sx. cement plug @ 400' (8-5/8"
casing shoe).

4372' 4-1/2" csg., cmt w/150 sx.

Spot 50 sx. cement plug @ 1200'.
Shot & pulled 4-1/2" casing @ 1200'.

Shot 4-1/2" casing @ 1723'; could not pull.

Perforations 4208' - 4282'

4372' T.D.

Spot 4 sx. cement on top of CIBP.
Set @ 4100'.

NO. OF COPIES RECEIVED		
DISTRIBUTION		
SANTA FE		
FILE		
U.S.G.S.		
LAND OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input checked="" type="checkbox"/>	Fee <input type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator The Wil-Mc Oil Corporation	8. Farm or Lease Name Champlin State
3. Address of Operator Drawer 1889, Midland, Texas 79701	9. Well No. 1
4. Location of Well UNIT LETTER <u>M</u> <u>660</u> FEET FROM THE <u>West</u> LINE AND <u>660</u> FEET FROM THE <u>South</u> LINE, SECTION <u>3</u> TOWNSHIP <u>8S</u> RANGE <u>33E</u> NMPM.	10. Field and Pool, or Wildcat Chaveroo
15. Elevation (Show whether DF, RT, GR, etc.) 4408' Gr.	12. County Chaves

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☐
CHANGE PLANS ☐
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIATION WORK ☐
COMMENCE DRILLING OPERATIONS ☐
CASING TEST AND CEMENT JOBS ☐
OTHER ☐

ALTERING CASING ☐
PLUG AND ABANDONMENT ☐

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

1. Set CIBP at 4100' and dumped 4 sacks cement on top of bridge plug.
2. Shot off 4 1/2" casing at 1723', could not pull with 80,000 lbs.
Shot off 4 1/2" at 1200' and pulled casing.
3. Run tubing and displaced hole with 25 lbs./bbl. mud to 4 1/2" pipe stub at 1200'.
4. Spotted 50 sacks cement over pipe stub at 1200'.
5. Pulled tubing to 400' and displaced hole with mud.
6. Spotted 50 sacks cement over surface pipe shoe at 400'.
7. Finished displacing hole with mud and capped with 10 sacks cement.
8. Installed marker, cleaned and leveled location.

Work completed 9-26-73

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

SIGNED <u>John K. Kelpatuk</u>	TITLE <u>Engineer</u>	DATE <u>10-8-73</u>
APPROVED BY <u>John W. Remyer</u>	TITLE <u>Geologist</u>	DATE <u>10-8-73</u>
CONDITION OF APPROVAL, IF ANY:		

(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.

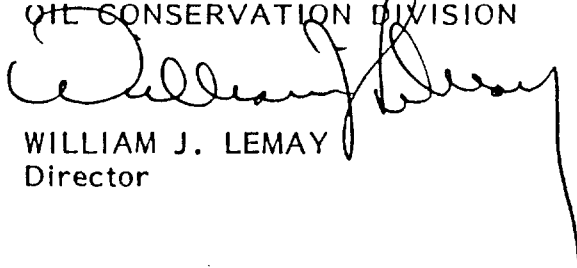
(4) All plans of development and operation, all unit participating areas and expansions and contractions thereof, and all expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(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; and 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



WILLIAM J. LEMAY
Director

S E A L



W.R. HUMPHRIES
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

January 9, 1989

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

Murphy Operating Corporation
Attn: Mrs. Ann Murphy Ezzell, Esq.
P. O. Box 2648
Roswell, New Mexico 88202-2648

Re: Haley Chaveroo San Andres Unit,
Chaves & Roosevelt Counties, NM
Notice of Proposed Unit Expansion

Gentlemen:

This office is in receipt of your letter of January 4, 1989, wherein Murphy Operating Corporation as Unit Operator of the Haley Chaveroo San Andres Unit area, has notified this office of the proposed expansion of the Unit boundaries to include 80.00 acres described as the NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 8 South, Range 33 East, Roosevelt County, New Mexico.

Please be advised that the Commissioner of Public Lands has no objection to your proposed request, and has this date granted you preliminary approval to expand said unit area.

Upon the expiration of the thirty-day notice period for expansion, please submit the following:

1. Three copies of your final application for approval. Your application should include a statement that all principals were provided proper notice, with a copy of any objections that have been received by the unit operator. The application should also contain a copy of the notice indicating the proposed effective date.
2. An instrument containing the appropriate joinders in compliance with the qualification requirements of Section 13, Tracts Qualified for Unit Participation.

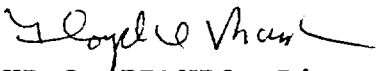
Murphy Operating Corporation
January 9, 1989
page 2

3. Approval by the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

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, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9477
Order No. R-8750

APPLICATION OF MURPHY OPERATING
CORPORATION FOR A UNIT AGREEMENT,
CHAVES AND ROOSEVELT COUNTIES, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 14, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of September, 1988, 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) Division Case Nos. 9477 and 9478 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Murphy Operating Corporation, seeks approval of the Haley Chaveroo San Andres Unit Agreement for all oil and gas in the San Andres formation from a depth of approximately 4158 feet to approximately 4470 feet (or the correlative stratigraphic interval) as found on the Gamma Ray/Bulk Density Log run on the Murphy Operating Corporation Hobbs "T" Well No. 15 located 990 feet from the South line

and 1980 feet from the East line (Unit O) of Section 34, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, and comprising 1840.70 acres, more or less, of State lands underlying the following described area:

ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
Section 33: All
Section 34: All

CHAVES COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 3: Lots 1, 2, 3, and 4,
S/2 N/2, N/2 SW/4, SE/4 SW/4,
W/2 SE/4, and SE/4 SE/4

(4) 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.

(5) 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 Haley Chaveroo San Andres Unit Agreement is hereby approved for all oil and gas in the San Andres formation from a depth of approximately 4158 feet to approximately 4470 feet (or the correlative stratigraphic interval) as found on the Gamma Ray/Bulk Density Log run on the Murphy Operating Corporation Hobbs "T" Well No. 15 located 990 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, and comprising 1840.70 acres, more or less, of State lands underlying the following described area:

ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
Section 33: All
Section 34: All

CASE NO. 9477
Order No. R-8750
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CHAVES COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 3: Lots 1, 2, 3, and 4,
S/2 N/2, N/2 SW/4, SE/4 SW/4,
W/2 SE/4, and SE/4 SE/4

(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, 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.

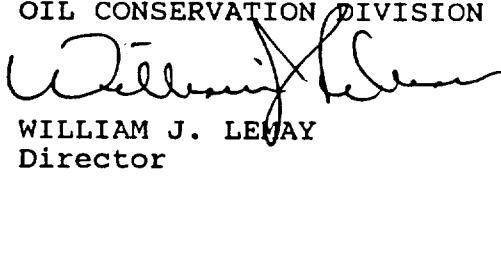
(5) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9477
Order No. R-8750
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

Examiner

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

See R-3220-A

CASE No. 3554
Order No. R-3220

APPLICATION OF COASTAL STATES GAS
PRODUCING COMPANY FOR APPROVAL OF
THE FLYING "M" SAN ANDRES UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 26, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 26th day of April, 1967, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Coastal States Gas Producing Company, seeks approval of the Flying "M" San Andres Unit Agreement covering 4080 acres, more or less, of State, Federal, and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 15: W/2 W/2
Section 16: All
Section 17: All
Section 20: E/2 and E/2 NW/4
Section 21: All
Section 22: W/2 W/2
Section 27: W/2 NW/4
Section 28: N/2, SW/4, and W/2 SE/4
Section 29: E/2 and E/2 W/2
Section 32: NE/4 and E/2 NW/4
Section 33: W/2 NW/4

(3) 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 Flying "M" San Andres 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 Commission 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 Commission 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 Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) 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 Commission immediately in writing of such termination.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4480
Order No. R-3220-A

APPLICATION OF COASTAL STATES GAS
PRODUCING COMPANY FOR EXPANSION OF
A UNIT AREA, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 6, 1971,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of January, 1971, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That by Order No. R-3220, dated April 26, 1967, the
Commission approved the Flying "M" San Andres Unit Agreement
covering 4080 acres, more or less, of State, Federal, and Fee
lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 15: W/2 W/2
Sections 16 and 17: All
Section 20: E/2 and E/2 NW/4
Section 21: All
Section 22: W/2 W/2
Section 27: W/2 NW/4
Section 28: N/2, SW/4, and W/2 SE/4

(2) Continued from Page 1 -

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 29: E/2 and E/2 W/2
Section 32: NE/4 and E/2 NW/4
Section 33: W/2 NW/4

(3) That said unit was subsequently expanded on October 30, 1967, to include therein the following-described lands:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33, EAST, NMPM
Section 27: W/2 SW/4
Section 28: E/2 SE/4

(4) That the applicant, Coastal States Gas Producing Company, now seeks the expansion of said Flying "M" San Andres Unit Area to include 879.48 additional acres, more or less, of Federal, State, and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 29: W/2 W/2
Section 32: W/2 NW/4
Section 33: NE/4, E/2 NW/4, and SE/4
Section 34: W/2 NW/4

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 4: NE/4

(5) That the proposed expansion of said Flying "M" San Andres Unit Area should promote the prevention of waste and protection of correlative rights within the unit area as expanded.

IT IS THEREFORE ORDERED:

(1) That the Flying "M" San Andres Unit Agreement, as amended to include the acreage described in Finding (4), above, is hereby approved.

(2) That the plan contained in said unit agreement, as amended, 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, as amended, 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 Commission 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 Commission an executed original or executed counterpart of the amendment to 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 Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of the aforesaid amendment to the Flying "M" San Andres 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 Commission immediately in writing of such termination.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. J. PORTER, Jr., Member & Secretary

S E A L

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