

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. 9652  
Order No. R-8923

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR A UNIT AGREEMENT,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 26, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of May, 1989, 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 West of Eden Unit Agreement for all oil and gas in any and all formations underlying the following described 8320.72 acres, more or less, of State, Federal and Fee lands in Chaves County, New Mexico:

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM

Sections 1 and 2: All  
Section 11: NW/4 and E/2  
Sections 12 and 13: All  
Section 14: SW/4 and E/2  
Sections 23 through 26: All  
Sections 35 and 36: All

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM  
Section 1: Lots 1, 2, 3, and 4 and S/2 N/2  
Section 2: All

(3) No interested party appeared and objected to the proposed unit agreement.

(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 West of Eden Unit Agreement is hereby approved for all oil and gas in any and all formations underlying the following described 8320.72 acres, more or less, of State, Federal and Fee lands in Chaves County, New Mexico:

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM  
Sections 1 and 2: All  
Section 11: NW/4 and E/2  
Sections 12 and 13: All  
Section 14: SW/4 and E/2  
Sections 23 through 26: All  
Sections 35 and 36: All

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM  
Section 1: Lots 1, 2, 3, and 4 and S/2 N/2  
Section 2: All

(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.

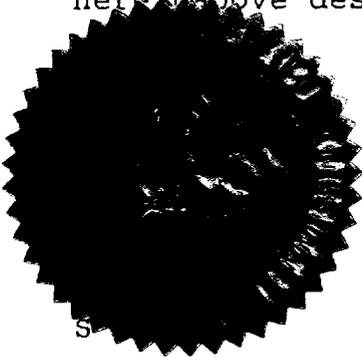
(3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Division 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.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director