

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. 9589
ORDER NO. R-8750-A

APPLICATION OF MURPHY OPERATING
CORPORATION FOR EXPANSION OF
UNIT AREA, 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 March 1, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 14th day of March, 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) At the time of the hearing, Cases 9589 and 9590 were consolidated for purposes of testimony.

(3) The applicant, Murphy Operating Corporation, desires to expand the Haley Chaveroo-San Andres Unit Area as approved by Division Order No. R-8750 by including therein Tract 5 consisting of the NE/4 SE/4 and SW/4 SW/4 of Section 3, Township 8 South, Range 33 East, Chaves County, New Mexico, so that the expanded unit would be comprised of all of Sections 33 and 34, Township 7 South, Range 33 East, Roosevelt County, and all of Section 3, Township 8 South, Range 33 East, Chaves County, New Mexico.

(4) Applicant provided notice to all owners in the present unit and has severed jointers to the unit agreement and unit operating agreement by all owners in the tract being added and consent of all owners in the original unit area as provided in Section 4 of the unit agreement.

(5) The area comprising the original unit area as well as the lands being added are State lands.

Case No. 9589
Order No. R-8750-A
Page No. 2

(6) Preliminary approval of the expansion of the unit area has been given by the Director, Oil and Gas Division of the Office of the Commissioner of Public Lands.

(7) The proposed expansion will prevent waste and protect correlative rights, will tend to conserve oil and gas and should be approved.

(8) The terms of Division Order No. R-8750 should apply to the expanded unit to the extent not inconsistent with this order.

IT IS THEREFORE ORDERED THAT:

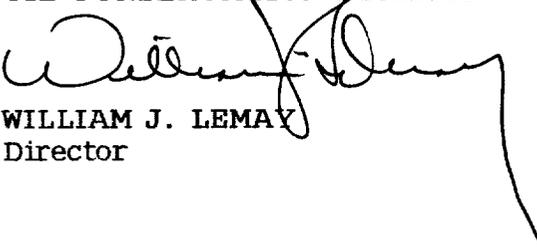
(1) The Haley Chaveroo-San Andres Unit Area as approved by Division Order No. R-8570 is hereby expanded to include Tract No. 5 consisting of the NE/4 SE/4 and SW/4 SW/4 of Section 3, Township 8 South, Range 33 East, NMPM, Chaves County, New Mexico, so that the unit area, as expanded, will be comprised of all of Sections 33 and 34, Township 7 South, Range 33 East, Roosevelt County, New Mexico and all of Section 3, Township 8 South, Range 33 East, Chaves County, New Mexico.

(2) The expanded unit and unit area shall be subject to the terms and requirements contained in Order No. R-8750 and shall become effective as provided in the unit agreement.

(3) 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