

(CROSSROADS SILURO-DEVONIAN UNIT - Cont'd.)

(6) The proposed Crossroads Siluro-Devonian Unit Agreement is a voluntary agreement unit that only governs the interests voluntarily committed thereto. The allocation of production to non-ratifying interest owners is controlled by the provisions of their underlying leases and other agreements that are not affected by the provisions of the unit agreement or this order.

(7) All plans of development and operation and expansions or contractions of the unit area should be submitted to the Division Director for approval.

(8) Approval of the proposed unit should enable the operator to effect savings in the conduct of operations on this acreage thereby extending the remaining life of the wells in the unit area and promoting the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The Crossroads Siluro-Devonian Unit Agreement is hereby approved for all oil, gas, natural gasoline and associated fluids within the Crossroads Siluro-Devonian Pool underlying the following described 800 acres, more or less, of fee land in Lea County, New Mexico:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 27: N/2, SE/4

Section 34: E/2

(2) The plan contained in the 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 the unit agreement, this approval shall not be construed as waiving or relinquishing, in any manner, any right, duty or obligation that is now or may hereafter be vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

(3) The operator shall file with the Division an executed original of the unit agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days thereafter, documentary evidence of those events.

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

(5) This order shall terminate upon the termination of the unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this case 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.

COTTONWOOD CANYON CARBON DIOXIDE GAS UNIT
(Revised Order No. R-11168-A)
Catron County, New Mexico

Order No. R-11168-A, Approving Revision of the Cottonwood Canyon Carbon Dioxide Gas Unit Agreement, Catron County, New Mexico, October 29, 1999.

Application of Ridgeway Arizona Oil Corporation
for a Unit Agreement, Catron County, New Mexico.

Case No. 12161
Order No. R-11168-A

ORDER OF THE DIVISION

BY THE DIVISION: This case came on for hearing at 8:15 a.m. on April 15, 1999, at Santa Fe, New Mexico before Examiner Michael E. Stogner, and at 10:00 a.m. on September 23, 1999, at Farmington, New Mexico before the New Mexico Oil Conservation Commission ("Commission").

NOW, on this 29th day of October, 1999, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Ridgeway Arizona Oil Corporation ("Ridgeway"), seeks approval of its Cottonwood Canyon Carbon Dioxide Gas Unit Agreement for carbon dioxide gas and all associated and constituent liquid or liquefiable carbonates, helium and all non-commercial quantities of hydrocarbons or other combination of elements (unitized substances) in any and all formations underlying an area comprising 89,574.12 acres, more or less, of New Mexico State Trust Lands, federal lands and fee lands in Catron County, New Mexico, as described in the attached Exhibit "A".

(3) Ridgeway originally applied to the Division to unitize any and all formations underlying an area comprising 109,309.33 acres, more or less, of New Mexico State Trust Lands, federal lands and fee lands in Catron County, New Mexico and Apache County, Arizona. That application was granted by Division Order No. R-11168 entered on April 27, 1999.

(4) Gary L. Kiehne of Midland, Texas, a working interest owner in certain federal lands within Apache County, Arizona that Ridgeway was proposing to unitize, appeared at the Division hearing through legal counsel in opposition to Ridgeway's original proposal.

(5) After Order No. R-11168 was entered, Kiehne timely filed an application for hearing de novo on May 3, 1999. The de novo application was scheduled before the Commission for its September 23, 1999 hearing. Before the scheduled Commission hearing, Ridgeway agreed to amend its application to include only lands located in Catron County, New Mexico and submitted to the Commission a revised unit agreement. As a result, Kiehne agreed to withdraw his application for hearing de novo, and at the September 23, 1999 Commission hearing the Commission remanded the case to the Division for entry of a decision in accordance with Ridgeway's revised proposal.

Oil Conservation Division

Case No. _____

Exhibit No. 1

(COTTONWOOD CANYON CARBON DIOXIDE GAS UNIT (REVISED ORDER NO. R-11168-A) POOL - Cont'd.

(6) Like the original agreement approved by the Division with Order No. R-11168, Ridgeway's revised unit agreement covering lands only in Catron County, New Mexico, is fair and reasonable and should be approved.

(7) All plans for: (i) development and operation; (ii) creation, expansion, or contraction of participating areas; or (iii) expansion or contraction of the unit area is to be submitted to the Division Director for approval.

(8) Approval of the revised unit agreement should promote the prevention of waste and protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The revised Cottonwood Canyon Carbon Dioxide Gas Unit Agreement proposed by Ridgeway Arizona Oil Corporation ("Ridgeway") and submitted to the New Mexico Oil Conservation Commission ("Commission") is hereby approved for carbon dioxide gas and all associated and constituent liquid or liquefiable carbonates, helium and all non-commercial quantities of hydrocarbons or other combination of elements (unitized substances) in any and all formations underlying an area comprising 89,574.12 acres, more or less, of New Mexico State Trust Lands, federal lands, and fee lands in Catron County, New Mexico, as described in the attached Exhibit "A".

(2) The plan contained in the revised 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 this revised unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation that is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of unitized substances therefrom.

(3) The unit operator shall file with the Division an executed original or executed counterpart of this revised unit agreement within 30 days of the effective date thereof. In the event of subsequent joinder by any other 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: (i) development and operation; (ii) creation, expansion or contraction of participating areas; or (iii) expansion or contraction of the unit area shall be submitted to the Division Director for approval.

(5) This order shall become effective upon the approval of the revised unit agreement by the appropriate agency of the United States Department of Interior and the Commissioner of Public Lands for the State of New Mexico. This order shall terminate upon the termination of the revised unit agreement. The last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this cause is hereby 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.

EXHIBIT "A"
CASE NO. 12161
ORDER NO. R-11168-A
COTTONWOOD CANYON CARBON DIOXIDE GAS (REVISED) UNIT AREA
CATRON COUNTY, NEW MEXICO

Township 2 North, Range 20 West, NMPM ✓
Sections 30 through 32: All

Township 2 North, Range 21 West, NMPM ✓
Section 9: All
Sections 14 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

Township 1 North, Range 20 West, NMPM ✓
Sections 4 through 9: All
Sections 16 through 21: All
Section 26: S/2
Section 27: S/2
Sections 28 through 35: All

Township 1 North, Range 21 West, NMPM ✓
Sections 1 through 4: All
Sections 9 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

Township 1 South, Range 20 West, NMPM ✓
Sections 2 through 10: All
Sections 16 through 21: All
Sections 28 through 33: All

Township 1 South, Range 21 West, NMPM ✓
Sections 1 through 4: All
Sections 9 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

Township 2 South, Range 20 West, NMPM ✓
Sections 5 through 8: All
Sections 18 and 19: All

Township 2 South, Range 21 West, NMPM ✓
Sections 1 through 4: All
Sections 9 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

Township 3 South, Range 21 West, NMPM
Sections 3 and 4: All.

ACREAGE SUMMARY:

47 Federal tracts in New Mexico totaling 69,669.42 acres (77.7785%)
54 New Mexico State Trust tracts totaling 19,024.27 acres (21.2386%)
6 fee tracts in New Mexico totaling 880.43 acres (0.9829%)
107 tracts of land total comprising 89,574.12 acres (100%).