

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
ANADARKO PRODUCTION COMPANY FOR AN )  
ORDER APPROVING THE TEAS YATES UNIT )  
COMPRISED OF THE YATES FORMATION )  
UNDERLYING THE SE/4 SE/4 OF SECTION )  
10, THE SW/4 SW/4 OF SECTION 11, THE )  
N/2 AND THE N/2 S/2 OF SECTION 13, )  
THE N/2, THE N/2 S/2, THE SW/4 SE/4 )  
AND THE SE/4 SW/4 OF SECTION 14 AND )  
THE NE/4 NE/4 OF SECTION 15, TOWNSHIP )  
20 SOUTH, RANGE 33 EAST AND THE )  
SW/4 NW/4 OF SECTION 18, TOWNSHIP 20 )  
SOUTH, RANGE 34 EAST, LEA COUNTY, )  
NEW MEXICO. )

CASE NO. 4469

A P P L I C A T I O N

COMES NOW Anadarko Production Company, hereinafter referred to as "Applicant", and makes its application for an Order by this Commission approving the Teas Yates Unit located in the Teas Yates Seven Rivers Pool, Lea County, New Mexico, comprised of the Yates formation underlying the SE/4 SE/4 of Section 10, the SW/4 SW/4 of Section 11, the N/2 and the N/2 S/2 of Section 13, the N/2, the N/2 S/2, the SW/4 SE/4 and the SE/4 SW/4 of Section 14 and the NE/4 NE/4 of Section 15, Township 20 South, Range 33 East and the SW/4 NW/4 of Section 18, Township 20 South, Range 34 East, Lea County, New Mexico and in support of this application states:

1. The Teas Yates Unit was created by Unit Agreement dated as of June 1, 1970, a copy of which is attached to this Application as Exhibit 1. All owners of working interests in the unitized formation have executed the Unit Agreement or have ratified the same.

2. All base royalty in the unitized formation is owned by the United States of America. The Regional Supervisor, United States Geological Survey, Roswell, New Mexico, has given preliminary approval

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to the Unit Agreement and has indicated that final approval will be given promptly upon the issuance of an Order by this Commission approving the Unit.

3. All owners of overriding royalty or production payment interests in the unitized formation have ratified the Unit Agreement except the following owners of overriding royalty interests:

<u>Interest Owner</u>	<u>Tract</u>	<u>Interest in Tract</u>
New Mexico Boys Ranch, Inc.	12	.0038750
E. B. Noble	12	.0012500
Peter Rapkoch	13	.0021000
David Bond Kyte and The Bank of California, N.A., Trustee	13	.0012500
Higgins Trust, Inc.	13	.0037500

4. All tracts within the Unit Area are thus qualified under the terms of the Unit Agreement for inclusion in the Unit. The operation of the Unit Area as a waterflood project pursuant to authority to be sought from this Commission under separate Application will result in increased ultimate recovery of oil and will, therefore, prevent waste.

WHEREFORE, Applicant requests a hearing before an examiner, notice of hearing to be given according to law, and requests that after notice and hearing, this Commission issue its Order approving Applicant's Teas Yates Unit insofar as the Unit Agreement creating the same provides for the operation of the unitized formation as a common Unit Area.

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