



Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company
Managing General Partner

OIL CONSERVATION DIVISION
RECEIVED

February 23, 1993

U S Dept. of the Interior
Bureau of Land Management
Roswell District Office
P.O. Box 1397
Roswell, New Mexico 88202-1397

ATTN: Mr. Armando A. Lopez

Re: Plan of Development 1993
Laguna Salado South Unit
Eddy County, New Mexico

Gentlemen:

In connection with your attached letter dated December 11, 1992 and subsequent conversations between Santa Fe Energy's Curtis Smith and BLM's John Simitz concerning the 1992 Plan of Development, Santa Fe Energy Operating Partners, L.P. hereby submits the 1993 Plan of Development and a review of 1992 activity for the Laguna Salado South Unit in lieu of Exxon, the Operator of the unit. The Laguna Salado South Unit currently has one producing well (Laguna Salado South Unit #1) located in the SE/4NW/4 of Section 22, T-23-S, R-29-E and was completed by Santa Fe Energy Operating Partners, L.P. on February 1, 1991. Santa Fe Energy is the Operator of this well and is authorized by that Designation of Agent dated December 16, 1991. This well produced 98,834 MCF of gas 62 barrels of oil and 264 barrels of water for the year of 1992. Santa Fe submitted information to the Bureau of Land Management in 1992 requesting an initial Morrow Participating Area surrounding the Laguna Salado South Unit #1 Well. Santa Fe Energy received approval of the initial Participating Area on April 22, 1992 in which the initial Morrow participating area contains 1600 acres more or less, being Sections 15, 21 and the W/2 of Section 22, T-23-S, R-29-E. Santa Fe Energy continued to monitor production in 1992 to evaluate the feasibility of drilling an additional Morrow well within the unit. Based on 1992 production data an additional Morrow well is not feasible.

For 1993 Santa Fe Energy plans to produce the Laguna Salado South Unit #1 from the Morrow Formation. Based on our economic parameters, we estimate this well will economically produce from the Morrow for a maximum of 12 to 18 more months. Upon depletion of the Morrow Formation, Santa Fe Energy will recomplete this well to the Atoka Formation at intervals of 12,240'-12,266', presumably early to mid 1994. Based upon the results of the recompletion in the Atoka, Santa Fe Energy will evaluate the possibility of drilling an Atoka offset to this well. Santa Fe Energy feels that this area may have potential for Delaware production and are actively conducting an evaluation of the Delaware in the Unit Area.

Permian Basin District
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

NMOCD

PERMANENT CONTROL

NMOCD Operator

CRA MLD

DATE RECEIVED: 03-01-93

CONTROL NUMBER: 03/03

Please return this slip to _____
with file copy.

9937

RECEIVED
MAR 1 11 49 AM '93
BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT

NMOC

Page 2
Bureau of Land Management
February 23, 1993

Santa Fe Energy also will take over operations of the Laguna Salado South Unit from Exxon this year and has requested and received the Designation of Successor Unit Operator materials from John Simitz of the BLM. Santa Fe is in the process of routing this paperwork for execution by Santa Fe and Exxon at the present time.

Please take this 1993 Plan of Development into consideration and if you have any questions or comments, please call Curtis Smith at (915) 686-6631.

Yours very truly,

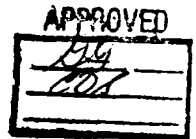
SANTA FE ENERGY OPERATING PARTNERS, L.P.

By: Santa Fe Pacific Exploration Company

Managing General Partner

By: 


T. S. Parker Div. Exp. Manager



CDS/efw

Plan of Development
APPROVED

MAR 05 1993


DISTRICT MANAGER
BUREAU OF LAND MANAGEMENT

A large, handwritten, stylized mark resembling a checkmark or a large "U" shape.

EWP625

1GG 1-10 TD



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

April 28, 1992

Exxon Company, U.S.A.
Attn: Mr. Doug Laufer
P. O. Box 1600
Midland, Texas 79702

Attn: Mr. Doug Laufer

Re: Laguna Salado South Unit Well No. 1
Designation of Agent
Eddy County, New Mexico

The Bureau of Land Management has submitted copies of an approved Designation of Agent wherein Exxon Corporation has designated Santa Fe Energy Operating Partners, L. P., as its agent for the Laguna Salado South Unit Well No. 1.

The Commissioner of Public Lands hereby accepts for record purposes the above mentioned document.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
BLM-Santa Fe
Santa Fe Energy
✓OCD

RECEIVED

APR 29 1992

OIL CONSERVATION DIVISION



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

April 27, 1992

Santa Fe Energy Operating Partners, L. P.
550 West Texas, Suite 1330
Midland, Texas 79701

RECEIVED

APR 28 1992

OIL CONSERVATION DIVISION

Attn: Mr. Samuel G. Thompson

Re: Laguna Salado South Unit Area
Initial Morrow Participating Area
Eddy County, New Mexico

Gentlemen:

The Bureau of Land Management has forwarded approved copies of the Initial Morrow Participation Area for the Laguna Salado South Unit Area, Eddy County, New Mexico.

The Initial Morrow Participation Area is predicated upon the completion of the Laguna Salado South Unit Well No. 1 and is described as follows:

Township 23 South, Range 29 East, NMPM

All: Sections 15, 21
W/2: Section 22

containing 1,600 acres more or less.

Since the Laguna Salado South Unit no longer contains any State lands, the above information has been accepted and filed for record purposes.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:

Floyd O. Prando
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD
BLM
TRD

Exxon Company, Inc.



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA
COMMISSIONER

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

March 3, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Exxon Company USA
P. O. Box 1600
Midland, Texas 79702-1600

Attn: Mr. Joe B. Thomas

Re: Notice of Contraction
Laguna Salado South Unit
Section 16: T23S-R29E, 640.00 Acres
State Lease No. V-1550-1
Eddy County, New Mexico

Dear Mr. Thomas:

Pursuant to Section 2 of the Laguna Salado South Unit, please be advised that the Laguna Salado South Unit shall be contracted to exclude all of Section 16, Township 23 South, Range 29 East, containing 640.00 Acres. Exhibits "A" and "B" shall also be revised to reflect this change to the unit area.

Reference is made to your letter of June 12, 1990. In your letter, a copy of which has been enclosed, you agreed with this office that "if the second unit well is not drilled in Section 16, T23S-R29E, which is part of the Laguna Salado South Unit, within one year of completion of the Initial test well, then Section 16, T23S-R29E, will be automatically eliminated from the Unit."

A review of the Laguna Salado South Unit records reflects the following:

1. The initial test well, the Laguna Salado South Unit Well No. 1, was completed on February 1, 1991. This well is located in the SE/4NW/4 of Section 29, Township 23 South, Range 29 East and was determined on September 25, 1991 by the Bureau of Land Management that the well was commercial in the Morrow Formation. As of this date we have not received a copy of your letter of September 12, 1991 or a copy of the Initial Morrow Participating Area. In order to complete our files, please submit a copy of the commercial determination and the Initial Morrow Participating area to this office for approval. Also, our records reflect that Exxon Corp. is the Operator of Record for this unit



Exxon Corp.
Laguna Salado Unit
March 3, 1992
Page 2

however, it appears that Santa Fe Energy Operating Partners, L. P. is operating the No. 1 well. If there has been a change in unit operators, please submit to this office, copies of the Designation of Agent or a Resignation/Designation Change in Unit Operator form.

2. As per our agreement, the second test well was due to be drilled on (V-1550), Section 16, Township 23 South, Range 29 East on or before February 1, 1992, being one year following the date of completion of the initial test well.
3. On April 9, 1991, Santa Fe Energy Operating Partners submitted an intent to drill the Laguna Salado South Unit 16 Well No. 1-I on Section 16-23S-29E, State Lease No. V-1550.
4. On January 22, 1992, the New Oil Conservation Division notified Santa Fe Energy that since no progress reports had been received for the drilling of the Laguna Salado South Unit 16, Well No. 1-I, form C-101 had expired and was considered an abandoned location.

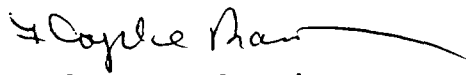
In view of the above, please be advised that pursuant to Sections 2, 2(a), 2(b) and 2(c) of the Laguna Salado South Unit, Exxon Corporation shall prepare a notice of proposed contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, any plans for additional drilling, and the proposed effective date of the contraction, preferably the first day of the month subsequent to the date of notice. Also, thirty (30) days will be allowed for submission of any objections to this contraction.

In addition, Section 2 (d) of the unit also provides that after due consideration of all pertinent information, the contraction shall, upon approval by the AO, the Land Commissioner and the Division, become effective as of the date prescribed in the notice thereof or other appropriate date.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.
cc: Reader File

Exxon Corp.
Laguna Salado Unit
March 3, 1992
Page 3

Bureau of Land Management
Attn: Mr. Armando Lopez
P. O. Box 1397
Roswell, New Mexico 88202-1397

New Mexico Oil Conservation Division
Attn: Mr. Roy Johnson
P. O. Box 2088
Santa Fe, New Mexico 87504

Santa Fe Energy Operating Partners, L. P.
Attn: Mr. Sam Thompson
500 W. Illinois, Suite 500
Midland, Texas 79701

CNG Producing Company
Attn: Mr. Gordon L. Wogan
P. O. Box 2115
Tulsa, Ok 74101-2115

Mr. Edward K. Gaylord, II
Rt. 8, Box 104 B
Guthrie, Ok 73044

S. B. Street and Co.
P. O. Box 206
Graham, Texas 76046

ELIMINATED FEB 1 1992

UNIT NAME: LAGUNA SALADO SOUTH UNIT
OPERATOR: EXXON CORPORATION
COUNTY: EDDY

EFFECTIVE DATE.....

DATE	OCD CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL-INDIAN	FEE	SEG. CLAUSE	TERM
------	--------------	----------------	---------------	-------	----------------	-----	-------------	------

6/30/90		6/27/90	7040.00	640.00	5640.00	760.00	MODIFIED	5 YEARS & SO LONG AS
---------	--	---------	---------	--------	---------	--------	----------	----------------------

ALL STATE LANDS WERE AUTOMATICALLY ELIMINATED EFFECTIVE FEBRUARY 1, 1992

* AFTER AUTOMATIC ELIMINATION 6400.00 -0- 5640.00 760.00

OCD: 6/20/90, CASE NO. 9936, ORDER NO. R-9200

CPL: 6/30/90

BLM: 6/27/90

UNIT AREA:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 10: S/2

Section 15: A11

* Section 16: A11

Sections 21 through 23: A11

Sections 26 through 28: A11

Section 33: N/2

Sections 34 and 35: A11

* NOTICE: THIS ACREAGE AUTOMATICALLY ELIMINATED FEBRUARY 1, 1992 (Tract No. 14)



EXHIBIT A (REVISED)
LAGUNA SALADO SOUTH UNIT
EDDY COUNTY, NEW MEXICO
T23S - R29E

RECEIVED
JAN 26 10 39 AM '90
STATE OF NEW MEXICO
SANTA FE, N.M.

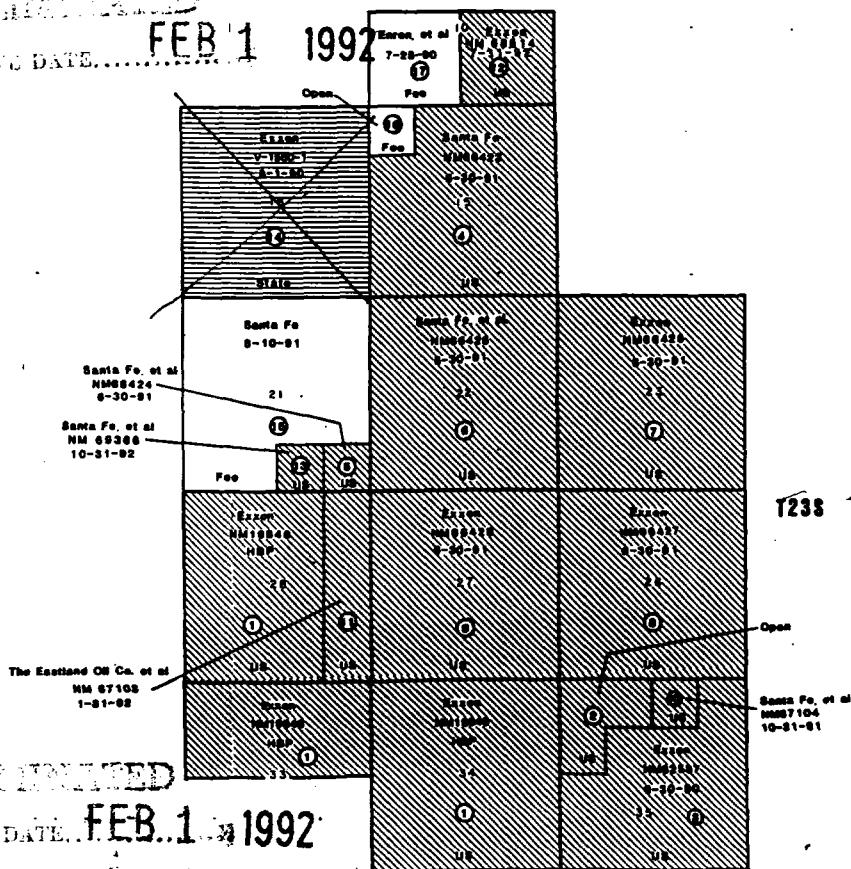
NOTICE: 11500-16-235-29E → EXTRACTED

EFFECTIVE DATE... FEB 1 1992

FEDERAL LANDS	
TRACT NO.	SERIAL NO.
1	NM 19848
2	OPEN
3	NM 62587
4	NM 66423
5	NM 66424
6	NM 66425
7	NM 66426
8	NM 66427
9	NM 66428
10	NM 67104
11	NM 67103
12	NM 68814
13	NM 69368

STATE LANDS	
TRACT NO.	SERIAL NO.
14	V-1550-1

PATENTED LANDS	
TRACT NO.	OWNER
15	TELEDYNE, INC.
16	TELEDYNE, INC.
17	TELEDYNE, INC.



Note: All sections contain 640 acres.

R29E

	ACRES	PERCENTAGE
USA	5840	80.11384 %
STATE	640	9.08091 %
FEE	780	10.79545 %
UNIT AREA	7040	100.00000 %

① TRACT NUMBER

EXHIBIT "B"

TO

LAGUNA SALADO SOUTH UNIT
AGREEMENT DATED _____

TOWNSHIP 23 SOUTH, RANGE 29 EAST,
EDDY COUNTY, NEW MEXICO

T	CT	DESCRIPTION OF LAND	NUMBER OF ACRES	LEASE SERIAL NO., DATE & EXPIRATION	OWNERSHIP AND BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	VI UNIT %	RATIFIED RATIFIED
(A1)	1	T-23-S, R-29-E, N.M.P.M.)								

(A1) 1n T-23-S, R-29-E,
N.M.P.M.)

STATE LANDS

RECEIVED
2/11/92

14	Section 16: A11	640	V-1550	St. of NM - A11	Exxon Corporation	None	Exxon Corporation	100%	YES	9.090909%
			Effective 8/01/85	16.6667%	Basic Royalty	100%				
			Expires 8/01/90							

STATE TRACT TOTALING 640 ACRES, OR 9.09091% OF THE UNIT AREA

15	Section 21:	W/2 NE/4 N/2 SE/4	560	Effective 2/10/89 Expires 8/10/91	Teledyne, Inc. - All 20% Basic Royalty	None	Santa Fe Energy Operating Partners, L.P.	100%	YES	7.954545%
16	Section 15:	NW/4 NW/4	40		Teledyne, Inc. - All					



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

BRUCE KING
GOVERNOR

March 7, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Exxon Company USA
P. O. Box 1600
Midland, Texas 79702-1600

Attention: Joe B. Thomas

Re: 1991 Plan of Development/
Operations Laguna Salado,
South Unit
Eddy County, New Mexico

Gentlemen:

The above-referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

A handwritten signature in dark ink, appearing to read "Roy E. Johnson".

ROY E. JOHNSON,
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands
Bureau of Land Management

9937

OIL CONSERVATION DIVISION
RECEIVED

EXXON COMPANY, U.S.A.

POST OFFICE BOX 1600 • MIDLAND TEXAS 79702-1600

'91 MAR 7 AM 9 15

March 5, 1991

PRODUCTION DEPARTMENT
SOUTHWESTERN DIVISION

1991 Plan of Development/
Operations Laguna Salado,
South Unit
Eddy County, NM

3-7-91
D. Vuitletter
TRK
Ry

Mr. Joe G. Lara
United States Department of Interior
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, NM 88202-1397

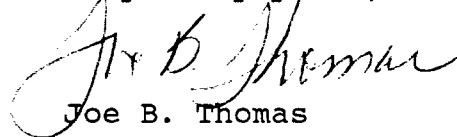
During the 1990 calendar year, the initial unit well, the Laguna Salado South Unit # 1, located in the W/2 of Section 22, T23S-R29E was commenced and is in the process of being completed in the Morrow formation.

Attached is a current map showing the location of this well together with a report showing production data in statistical form for this well.

During the period of January 1, 1991 through December 31, 1991, a well is being proposed to the unit non-operators to drill a well in the E/2 of Section 16, T23S-R29E, to a proposed depth of 13,600' or a depth to adequately test the Atoka/Morrow formation.

Exxon, as Operator of this unit, requests your approval of this Plan of Development and Operations.

Very truly yours,


Joe B. Thomas

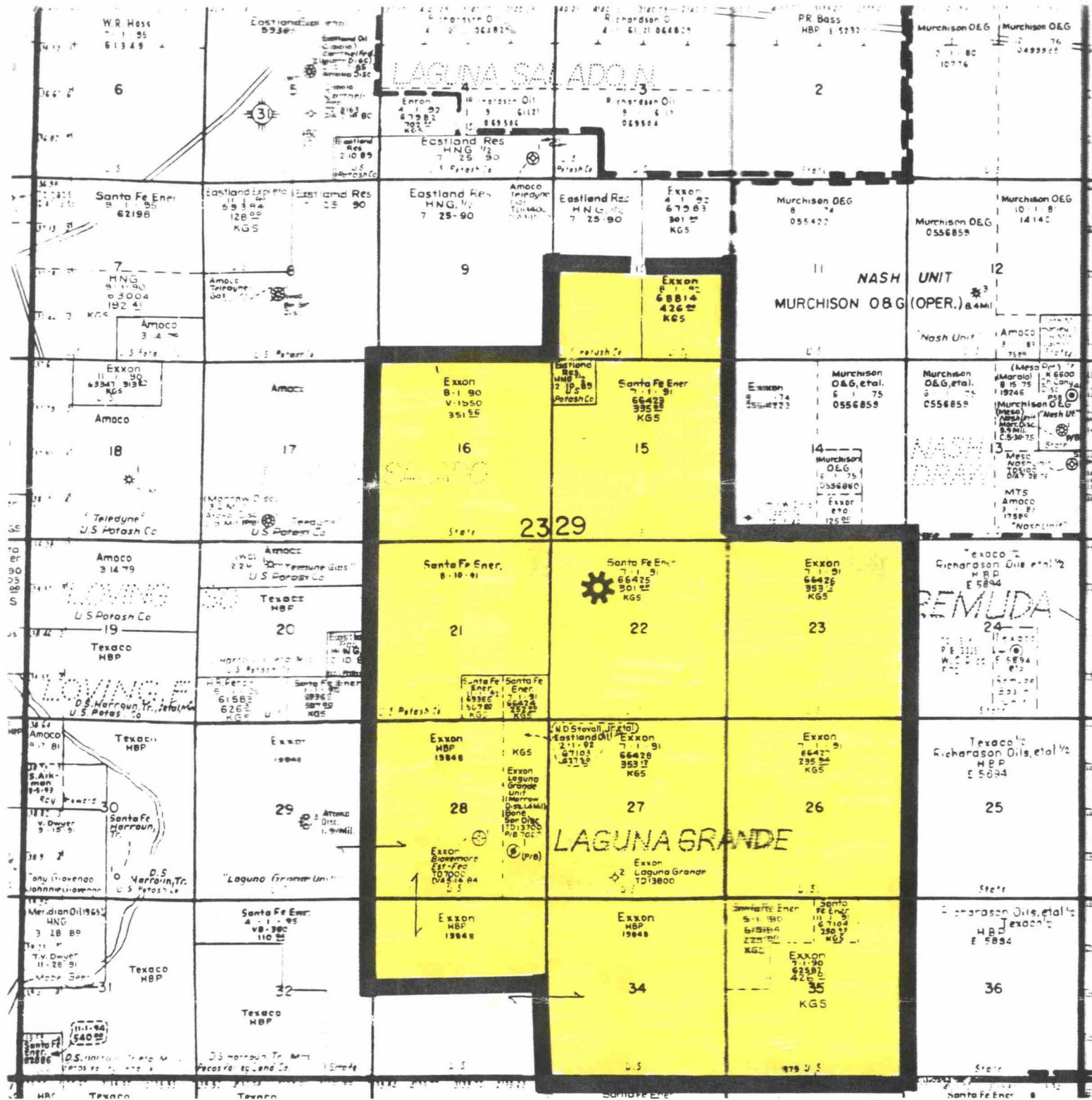
✓ c: New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

EXHIBIT

PRODUCTION DATA

DATE	MCFD	FTD	BO	BW
02/08/91	2218	3200	1	1
02/09/91	459	3600	0	0
02/10/91	1062	3600	0	0
02/11/91	44	4000	0	0
02/12/91	634	4000	0	4
02/13/91	880	4000	0	0
02/14/91	SI Mech. Prob.			
02/15/91	Ditto			
02/16/91	"			
02/17/91	"			
02/18/91	2960	2550	0	18
02/19/91	3058	2500	0	0
02/20/91	2943	2400	0	2
02/21/91	2932	2400	0	11
02/22/91	2850	2400	0	6

Prep. to SI for BHP test and 4 Pt.



Base Map Showing Acreage
of the Laguna Salado South Unit,
T23S-R29E, Eddy Co., New Mexico



Laguna Salado South Unit #1 Drillwell



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

GARREY CARRUTHERS
GOVERNOR

June 20, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Attorneys at Law
500 Marquette, N.W.
Suite 740
Albuquerque, New Mexico 87102-2121

Re: CASE NO. 9937
ORDER NO. R-9200

Applicant:
Exxon Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD

Other Ernest L. Padilla

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

OF COUNSEL
O. M. CALHOUN
MACA EASLEY
JOE W. WOOD

CLARENCE E. HINKLE (190-1985)
W. E. BONDURANT, JR. (1913-1971)
ROY C. SNODGRASS, JR. (1914-1987)

June 13, 1990

HAND-DELIVERED

700 UNITED BANK PLAZA

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88202

(505) 622-6500

FAX (505) 623-9332

2800 CLAYDESTA NATIONAL BANK BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

FAX (915) 683-6518

700 TEAM BANK BUILDING

POST OFFICE BOX 9238

AMARILLO, TEXAS 79105

(806) 372-5569

FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800

ALBUQUERQUE, NEW MEXICO 87102-2121

(505) 768-1500

FAX (505) 768-1529

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
T. CALDEREZZE, JR.
WILLIAM B. BURFORD
RICHARD E. OLSON
RICHARD R. WILFONG
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIAR
JEFFREY D. HEWITT
JAMES BRUCE
JERRY F. SHACKELFORD
JEFFREY W. HELLBERG
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
FRANKLIN H. MCCALLUM
GREGORY J. NIBERT
DAVID T. MARKET
MARK C. DOW
KAREN M. RICHARDSON
FRED W. SCHWENDMANN
JAMES M. HUDSON
RAYMOND HAMILTON
STANLEY K. KOTOVSKY
BETTY H. LITTLE
JEFFREY S. BAIRD
RUTH S. MUSGRAVE
HOWARD R. THOMAS
PATRICIA A. WATTS
NANCY A. GUSTUS
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
PAUL R. NEWTON
WILLIAM R. JOHNSON
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. JARSON
STEPHAN E. LANDRY
JERRY D. WORSHAM II
JOHN R. KJULSETH, JR.
TONY CONNERS

*NOT LICENSED IN NEW MEXICO

Michael E. Stogner
Oil Conservation Division
State Local Office Building
Santa Fe, New Mexico 87501

Re: Case No. 9937, The Application of Exxon Corporation for
a Unit Agreement, Eddy County, New Mexico

Dear Mr. Stogner:

Enclosed is a proposed Order in the above matter. As
requested at hearing, due to lease expiration problems Exxon
requests expedited approval of this matter.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JGB/mh

Enclosure

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. 9937
ORDER NO. R-

APPLICATION OF EXXON CORPORATION
FOR A UNIT AGREEMENT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m.
on June 13, 1990, at Santa Fe, New Mexico, before Examiner Michael
E. Stogner.

NOW, on this ____ day of June, 1990, 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, Exxon Corporation, seeks approval of the
Laguna Salado South Unit Agreement and Area for all oil and gas in
any and all formations underlying 7040.00 acres, more or less, of
Federal, State, and Fee lands in Eddy County, New Mexico, as
further described in Exhibit "A" attached hereto and made a part
hereof.

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

(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 Laguna Salado South Unit Agreement is hereby approved for all oil and gas in any and all formations underlying 7040.00 acres, more or less, of Federal, State, and Fee lands in Eddy County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.

(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 unit and production of oil and 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 other party, or expansion or contraction of the unit area, the unit operator shall file with the Division a conformed copy of the agreement reflecting the subscription of those interests having joined or ratified.

(4) All plans of development and operation, all unit participating areas, and 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 Director of the appropriate agency of the United States Department of the Interior and by the Commissioner of Public Lands of 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM LEMAY
Director

S E A L

EXHIBIT 'A'
CASE NO. 9937
ORDER NO. R-
LAGUNA SALADO SOUTH UNIT
EDDY COUNTY, NEW MEXICO

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 10:	S $\frac{1}{2}$
Section 15:	All
Section 16:	All
Section 21:	All
Section 22:	All
Section 23:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 33:	N $\frac{1}{2}$
Section 34:	All
Section 35:	All

Containing 7040.00 acres, more or less, of Federal, State, and Fee lands.

HINKLE, COX, EATON, COFFIELD & HENSLEY

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May 24, 1990

*NOT LICENSED IN TEXAS

Ms. Florene Davidson
Oil Conversation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

ms.
Case 9937

Re: Exxon Corporation Application
for Approval of Laguna Salado
South Unit -- Eddy County,
New Mexico

Dear Florene:

Pursuant to our telephone conversation of today, this letter is to request a continuance to the **JUNE 13, 1990 docket**, of Exxon Corporation's above referenced application. Said application originally was continued to the May 30, 1990 docket.

If you need any further information for the continuance of this case, please inform us of the same and we will promptly reply.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl
copies: Mr. Bill Duncan
Mr. Joe Thomas
Mr. Jim Bruce
cec\A3.27

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TONY CONNERS

May 9, 1990

*NOT LICENSED IN TEXAS

Ms. Florene Davidson
Oil Conversation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Exxon Corporation Application
for Approval of Laguna Salado
South Unit -- Eddy County,
New Mexico

Dear Florene:

Pursuant to our telephone conversation of today, this letter is to request a continuance to the MAY 30, 1990 docket, of Exxon Corporation's above referenced application. Said application originally set be heard on the May 16, 1990 docket.

If you need any further information for the continuance of this case, please inform us of the same and we will promptly reply.

Very truly yours,

HINKLE, COX, EATON,
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