

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8786
Order No. R-8164

APPLICATION OF THE EASTLAND OIL
COMPANY FOR A UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 18, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 25th day of February, 1986, 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 this case was consolidated with Division Case No. 8787 for purposes of testimony.
- (3) The applicant, Eastland Oil Company, seeks approval of the Power Grayburg (Federal) Unit Agreement for all oil and gas in the Grayburg formation underlying 427.44 acres, more or less, of Federal lands as described on Exhibit "A" attached hereto and made a part hereof.
- (4) No interested parties appeared or objected to the proposed Unit Agreement.
- (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 Power Grayburg (Federal) Unit Agreement is hereby approved for all oil and gas in the Grayburg formation underlying those lands described on 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, 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.

(4) 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 Interior; 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.

(5) 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



R. L. STAMETS,
Director

EXHIBIT "A"

ORDER NO. R-8164
POWER GRAYBURG (FEDERAL) UNIT

EDDY COUNTY, NEW MEXICO

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 1: Lots 1 and 2, S/2 NE/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 5: Lots 3 and 4
Section 6: Lots 1 through 5

comprising 427.44 acres, more or less, of Federal lands.