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

(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 protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1)   The Papalotes Unit Agreement is hereby approved for all oil and gas in any and all formations underlying the following described 2,583.60 acres, more or less, of State and Fee lands in Lea County, New Mexico:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 26:   All
Section 34:   All
Section 35:   All

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 2:   All

(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, within 30 days thereafter, counterparts of the unit 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.