

**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. 10714 (Reopened)
Order No. R-9902-A**

**IN THE MATTER OF CASE NO. 10714 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NO. R-9902 WHICH ORDER
APPROVED THE CEJA PELON UNIT IN THE
RIO PUERCO-MANCOS OIL POOL, SANDOVAL
COUNTY, NEW MEXICO, AND PROMULGATED
TEMPORARY SPECIAL OPERATING RULES AND
REGULATIONS WITHIN THE UNIT AREA.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 7, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of July, 1994, 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) By Order No. R-9902, issued in Case No. 10714 on June 23, 1993, the Division, upon application of The Gary Williams Company, approved the Ceja Pelon Unit Area in Sandoval County, New Mexico, and promulgated Special Operating Rules and Regulations regarding drilling and operating high angle/horizontal wellbores within the unit area.

(3) Pursuant to the provisions of Division Order No. R-9902, this case was reopened to allow the operator and interest owners within the unit the opportunity to appear and show cause why the Special Operating Rules and Regulations for the Ceja Pelon Unit should remain in effect.

(4) The Gary Williams Company and Samuel Gary & Associates appeared through legal counsel at the hearing but presented no evidence or testimony in this case.

(5) Counsel for the above-described parties stated that the horizontal drilling project within the Ceja Pelon Unit has not been successful and that the special operating rules and regulations are unnecessary and therefore should be rescinded.

(6) No other operator and/or interest owner appeared at the hearing.

(7) The Special Operating Rules and Regulations for the Ceja Pelon Unit, as promulgated by Division Order No. R-9902, should be rescinded.

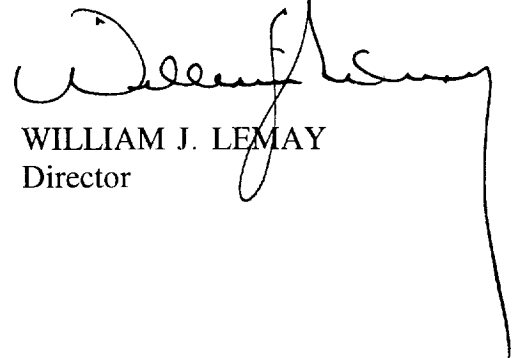
IT IS THEREFORE ORDERED THAT:

(1) The Special Operating Rules and Regulations for the Ceja Pelon Unit, as promulgated by Division Order No. R-9902, are hereby rescinded.

(2) 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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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