

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:

REOPENED
CASE NO. 11789
ORDER NO. R-10827-A

**APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 21, 1997 in Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 24th day of September, 1997, 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-10827, dated June 26, 1997, the New Mexico Oil Conservation Division ("Division") authorized the compulsory pooling of all mineral interests, whatever they may be, from the surface to the base of the Strawn formation underlying the SW/4 SE/4 (Unit O) of Section 28, Township 16 South, Range 38 East, NMPM, Lea County, New Mexico, in order to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said 40-acre unit is to be dedicated to its Maltese Falcon "28" Well No. 1 to be drilled at a standard location thereon. Said Order No. R-10827 also included provisions that: (i) named Apache Corporation the operator of the subject well and 40-acre unit; (ii) allowed well costs or charges which were to be paid out of production to be withheld only from the working interest's share of production, and that no costs or charges were to be withheld from production attributable to royalty interests; and, (iii) provided for Apache Corporation to commence the drilling of the proposed well on or

before September 13, 1997.

(3) By application dated June 13, 1997, Apache Corporation, as the applicant in the original case, requested this matter be reopened before a Division Hearing Examiner. However, prior to the hearing, the applicant requested this matter be dismissed.

(4) Dismissal of this case should therefore be granted.

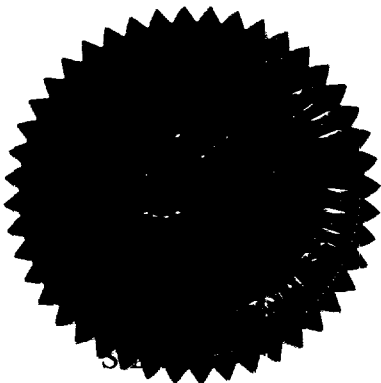
IT IS THEREFORE ORDERED THAT:

(1) The application of Apache Corporation to reopen Division Case 11789, as described in Finding Paragraph No. (2) above, shall be dismissed at this time.

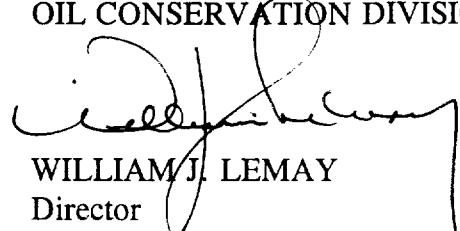
(2) All provisions of said Division Order No. R-10827 shall remain in full force and effect until further notice.

(3) 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 J. LEMAY
Director