

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. 11859
ORDER NO. R-10908

**APPLICATION OF LOUIS DREYFUS NATURAL GAS CORP. FOR
COMPULSORY POOLING AND AN UNORTHODOX WELL LOCATION, EDDY
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 23, 1997 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of October, 1997, the Division Director, having considered 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, Louis Dreyfus Natural Gas Corp., seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 13, Township 22 South, Range 25 East, NMPM, Eddy County, New Mexico, and in the following manner:

(a) the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes, but is not necessarily limited to the Undesignated McKittrick Canyon-Upper Pennsylvanian Gas Pool, Undesignated East McKittrick Hills-Atoka Gas Pool, Undesignated Revelation-Morrow Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool;

(b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and,

(c) the SW/4 SE/4 (Unit O) 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, which presently includes but is not necessarily limited to the Undesignated Filaree Dome-Delaware Pool.

(3) Said units are to be dedicated to the applicant's proposed McGruder Federal Com. "13" Well No. 1, which is to be directionally drilled from a surface location 280 feet from the South line and 1930 feet from the West line (Unit N) of said Section 13 (considered to be unorthodox) to a bottomhole location that is considered to be standard for all three sized units 710 feet from the South line and 1650 feet from the East line (Unit O) of said Section 13.

(4) Prior to the hearing, the applicant requested this matter be dismissed.

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

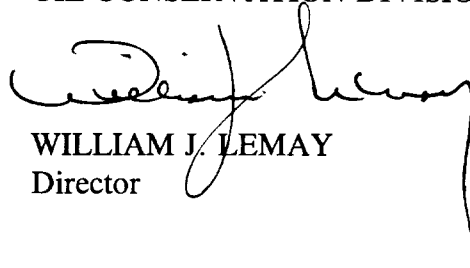
IT IS THEREFORE ORDERED THAT:

Case No. 11859 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director