

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. 11926
ORDER NO. R-10984

APPLICATION OF KCS MEDALLION RESOURCES, INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 19 and on March 19, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of May, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised,

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, KCS Medallion Resources, Inc., sought an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 33, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, and in the following manner:

(a) the W/2 to form a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the Undesignated North Burton Flat-Strawn Gas Pool, Winchester-Atoka Gas Pool, and Undesignated Winchester-Morrow Gas Pool;

(b) the NW/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 that vertical extent, which presently includes but is not necessarily limited to the Winchester-Wolfcamp Gas Pool;

(c) the N/2 SW/4 to form a standard 80-acre oil or gas spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the Undesignated Old Millman Ranch-Bone Spring Associated Pool; and,

(d) the NW/4 SW/4 (Unit L) 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 that vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool, Undesignated Fadeaway Ridge-Delaware Pool, and Undesignated Old Millman Ranch-Bone Spring Associated Pool.

(3) The units were to be dedicated to the applicant's proposed Many Sands "33" Well No. 1 to be drilled at a standard location for all units, 1650 feet from the South line and 660 feet from the West line (Unit L) of Section 33.

(4) Prior to the March 19, 1998 hearing, the applicant requested this matter be dismissed.

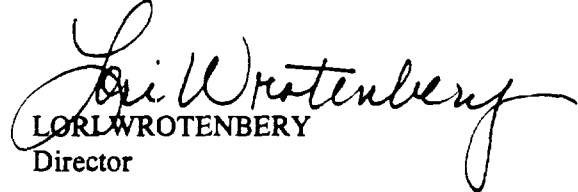
(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11926 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

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