

**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. 11969
Order No. R-10997**

**APPLICATION OF SANTA FE ENERGY
RESOURCES INC. FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 30 and May 14, 1998, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 8th day of June, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Santa Fe Energy Resources, Inc., seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 24, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico:

the W/2 to form a standard 320-acre gas spacing and proration unit for any formation or pool spaced on 320 acres within this vertical extent, including, but not limited to the Undesignated North Shugart-Morrow Gas Pool;

the SW/4 to form a standard 160-acre spacing and proration unit for any formation or pool spaced on 160 acres within this vertical extent; and,

the NE/4 SW/4, below 4,100 feet subsurface, to form a standard 40-acre spacing and proration unit for any formation or pool spaced on 40 acres within this vertical extent.

CASE NO. 11969
Order No. R-10997
Page -2-

These units are to be dedicated to the applicant's proposed Benson "24" Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the South and West lines (Unit K) of Section 24.

(3) By letter dated June 3, 1998, the applicant requested that this case be dismissed.

(4) The applicant's request should be granted.

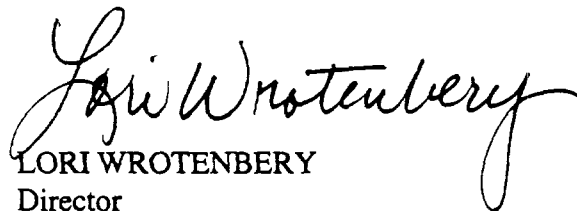
IT IS THEREFORE ORDERED THAT:


(1) Case No. 11969 is hereby dismissed.

(2) 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


LORI WROTENBERY
Director


S E A L