

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. 12025
ORDER NO. R-11051

**APPLICATION OF MALLON OIL COMPANY FOR AN UNORTHODOX GAS
WELL LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 3, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of September, 1998, the Division Director, having considered 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, Mallon Oil Company ("Mallon"), seeks approval to drill its Mescalero Ridge "19" Well No. 1 at an unorthodox Morrow gas well location 1650 feet from the South line and 990 feet from the West line (Lot 3/Unit L) of Section 19, Township 19 South, Range 34 East, NMPM, Undesignated Quail Ridge-Morrow Gas Pool, Lea County, New Mexico. Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 19 are to be dedicated to the well in order to form a standard 319.92-acre gas spacing and proration unit within the Undesignated Quail Ridge-Morrow Gas Pool.

(3) Mallon originally filed this application with the Division on June 25, 1998 for administrative review pursuant to the provisions of: (i) RULE 5 of the "*Special Rules and Regulations for the Quail Ridge-Morrow Gas Pool*," as promulgated by Division Order No. R-3890, issued in Case No. 4261 dated December 3, 1969; and (ii) Division General Rule 104.F(2).

(4) Objections filed by Fagadu Energy Corporation, THF Corporation, D & K Oil

& Gas Associates, Inc., and Kevin O. Butler & Associates, Inc. caused this matter to be set for hearing.

(5) Subsequent to the hearing all of the above-named parties withdrew their objections; this case was then remanded to the Division's administrative process.

(6) By Administrative Order NSL-4113, dated August 18, 1998, the Division approved the subject application, thereby making this case unnecessary.

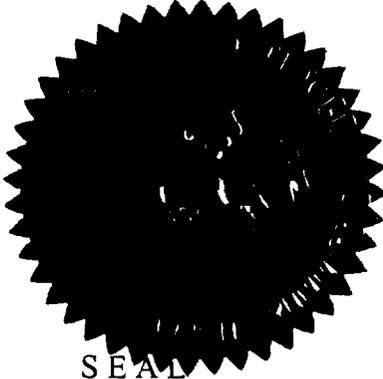
(7) Furthermore, the applicant, prior to the hearing, requested this matter be dismissed.

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

IT IS THEREFORE ORDERED THAT:

Case No. 12025 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director