

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 11201 (Reopened)
ORDER NO. R-10313-A

IN THE MATTER OF CASE 11201 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-10313, WHICH ORDER CREATED THE SOUTH MIDWAY-STRAWN POOL AND PROMULGATED TEMPORARY SPECIAL RULES AND REGULATIONS THEREFOR, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 6, 1997, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of February, 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-10313 entered in Case No. 11201 on February 6, 1995, the New Mexico Oil Conservation Division, upon application of DALEN Resources Oil and Gas Company:

- (a) created and defined the South Midway-Strawn Pool for the production of oil from the Strawn formation with horizontal limits comprising the NE/4 of Section 20, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico; and,
- (b) promulgated temporary special rules and regulations therefor including provisions for:
 - (i) standard 80-acre oil spacing and proration units;
 - (ii) limited development to only one well per 80-acre unit;

and,

- (iii) designated well location requirements such that each well is to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

(3) The boundaries for said Pool currently comprise the SE/4 of Section 17 and the NE/4 of Section 20, both in Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) No operator in the subject pool appeared at the February 6, 1997 hearing to show cause why the Special Pool Rules for the South Midway-Strawn Pool should not be rescinded at this time and the pool be governed by all applicable statewide rules for oil wells as promulgated by the "Rules and Regulations of the Oil Conservation Division."

(5) In the absence of any testimony, the Temporary Special Pool Rules for said South Midway-Strawn Pool should be rescinded.

IT IS THEREFORE ORDERED THAT:

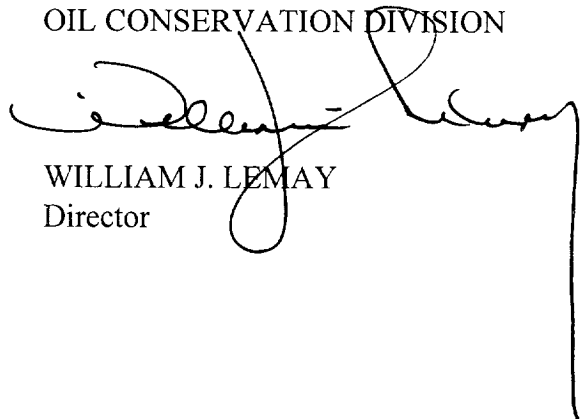
(1) The temporary Special Rules and Regulations governing the South Midway-Strawn Pool in Lea County, New Mexico, as promulgated by Division Order No. R-10313, are hereby rescinded.

(2) Any future or existing oil wells in the South Midway-Strawn Pool shall have dedicated thereto 40 acres in accordance with General Rule 104.C(1). Failure to file new Forms C-102 with the Division dedicating 40 acres to any existing well within 60 days from the date of this order shall subject the well to cancellation of allowable.

(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

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