

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. 11785
ORDER NO. R-10849

**APPLICATION OF PLAINS PETROLEUM OPERATING COMPANY TO AMEND
DIVISION ORDER NO. R-10474 BY AUTHORIZING THE EXPANSION OF AN
EXISTING PRESSURE MAINTENANCE PROJECT AND TO QUALIFY SAID
EXPANSION FOR THE RECOVERED OIL TAX RATE PURSUANT TO THE "NEW
MEXICO ENHANCED OIL RECOVERY ACT," LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 24, 1997 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of July, 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) The applicant, Plains Petroleum Operating Company, seeks authority to expand its Hill-Cayless McKee Pressure Maintenance Project, approved by Division Order No. R-10474, issued in Case 11368 and dated October 3, 1995, which currently comprises the SE/4 of Section 34 and the SW/4 of Section 35, both in Township 23 South, Range 37 East, NMPM, McKee formation of the Teague (Simpson) Pool, Lea County, New Mexico, to include the S/2 NE/4 of said Section 34 and the S/2 NW/4 of said Section 35.

(3) The applicant, pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order R-9708, further seeks to qualify this expanded area for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5).

(4) At the time of the hearing, legal counsel for the applicant requested this matter be dismissed.

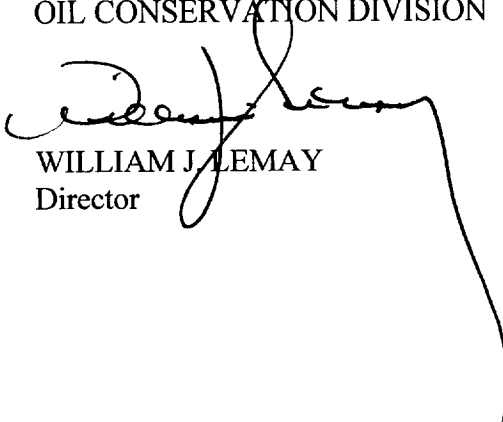
(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11785 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

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