

**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. 11877
Order No. R-11007**

**APPLICATION OF FASKEN LAND AND
MINERALS, LTD. FOR COMPULSORY
POOLING AND AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 5 and March 5, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of July, 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) Case Nos. 11877 and 11927 were consolidated at the time of the February 5th hearing for the purpose of testimony.

(3) The applicant in Case No. 11877, Fasken Land and Minerals, Ltd. (Fasken), seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described area in Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, in the following manner:

all of Section 12 thereby forming a standard 640-acre gas spacing and proration unit for formations and/or pools spaced on 640 acres within that vertical extent, which presently include but are not necessarily limited to the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools;

the N/2 of Section 12 thereby forming a standard 320-acre gas spacing and proration unit for any formations and/or pools spaced on 320 acres within that vertical extent which presently include but are not necessarily limited to the Undesignated Rock Tank-Upper Pennsylvanian Gas Pool.

These units are to be dedicated to the applicant's proposed Carnero "12" Federal Com Well No. 1 to be drilled at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit C) of Section 12.

(4) This case was originally heard in conjunction with Case No. 11927, a competing force pooling application filed by Redstone Oil & Gas Company (Redstone).

(5) Pursuant to Fasken's motion to dismiss, Case No. 11927 was dismissed by the Division by Order No. R-10977 entered on April 17, 1998.

(6) At the request of Redstone, the record, evidence and testimony presented in Case No. 11927 were incorporated in Case No. 11960, which was heard by the Division on April 2, 1998.

(7) By letter dated July 1, 1998, Fasken advised the Division that it has reached a voluntary settlement with Redstone with regards to the development of the subject acreage, and requested that Case No. 11877 be dismissed.

(8) Fasken's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The application of Fasken Land and Minerals, Ltd., for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico, thereby forming a standard 640-acre gas spacing and proration unit, and the N/2 of Section 12 thereby forming a standard 320-acre gas spacing and proration unit, these units to be dedicated to its proposed Carnero "12" Federal Com Well No. 1 to be drilled at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit C) of Section 12, is hereby dismissed.

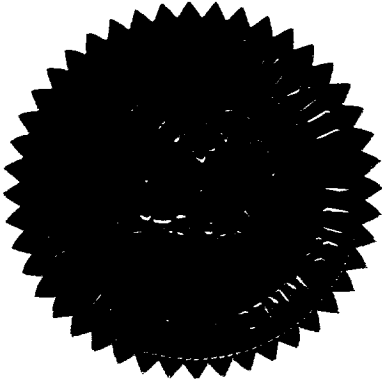
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 11877
Order No. R-11007
Page -3-

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



S E A L