

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. 11999*  
*ORDER NO. R-11011*

**APPLICATION OF COSTILLA ENERGY, INC. 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 July 9, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 24th day of July, 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, Costilla Energy, Inc., seeks an order pooling all mineral interests from the surface to the base of the Chester formation underlying the following described acreage in Section 33, Township 16 South, Range 26 East, NMPM, Eddy County, New Mexico, in the following manner:

(a) the S/2 to form a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated POW-Strawn Gas Pool and POW-Morrow Gas Pool;

(b) the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools

developed on 160-acre spacing within said vertical extent;  
and,

(c) the NW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent.

(3) These units are to be dedicated to the applicant's proposed Funk "49" Well No. 1 to be drilled at a location that is considered to be unorthodox for all three units 1650 feet from the South line and 1080 feet from the West line (Unit L) of Section 33.

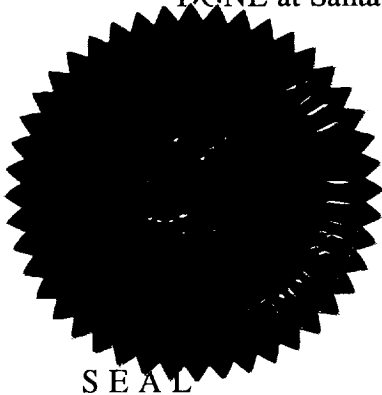
(4) Prior to the July 9, 1998 hearing, the applicant requested this matter be dismissed.

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

IT IS THEREFORE ORDERED THAT:

Case No. 11999 is hereby dismissed.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Lori Wrotenbery".

LORI WROTENBERY  
Director