

**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. 12073
Order No. R-11089-A**

**APPLICATION OF NEARBURG EXPLORATION COMPANY, L.L.C. FOR
COMPULSORY POOLING, AN UNORTHODOX SURFACE AND
SUBSURFACE DRILLING WINDOW, EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION
STAYING ORDER NO. R-11089**

BY THE DIVISION:

This matter having come before the Oil Conservation Division ("Division") upon the motion of Abo Petroleum Corporation, MYCO Industries, Inc., John A. Yates, John A. Yates, Personal Representative of the Estate of Peggy A. Yates, S.P. Yates, Yates Drilling Company, and Yates Petroleum Corporation ("Yates") for a stay of Division Order No. R-11089 and the Division Director having considered the request and being fully advised in the premises,

NOW, on the 18th day of December, 1998, the Division Director:

FINDS THAT:

- (1) On November 23, 1998, the Division entered Order No. R-11089 which granted Nearburg Exploration Company, L.L.C.'s ("Nearburg") application for compulsory pooling, an unorthodox surface location and subsurface drilling window in Eddy County, New Mexico. Order No. R-11089 also contains deadlines for Yates, as well as other working interest owners, to consent to pay its share of the estimated well costs or be subject to a 200% penalty.
- (2) On November 23, 1998, Yates filed a request for a *de novo* hearing before the Oil Conservation Commission ("Commission") in this case.
- (3) On December 4, 1998, Nearburg filed a request for a *de novo* hearing before the Commission in this case.

- (4) On December 14, 1998, Yates filed its Motion to Stay Division Order R-11089 and to Continue Commission Hearing.
- (5) On December 15, 1998, Nearburg filed its Response to Yates's motion for continuance.
- (6) A review of the parties' motions reveals that there is no dispute that Nearburg now seeks to drill in a location other than that approved by Division Order R-11089.
- (7) It is necessary to grant a stay of Division Order No. R-11089 until the resolution of the *de novo* hearing so the deadline imposed on Yates to agree to participate in the well will not run during the time the surface location and costs of the well are unknown.

IT IS THEREFORE ORDERED THAT:

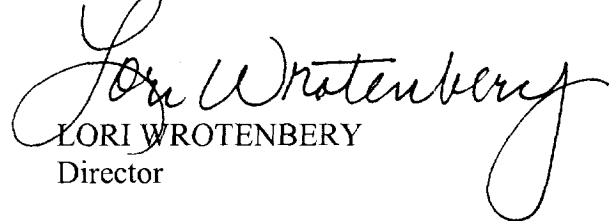
- (1) DIVISION Order No. R-11089 entered on November 23, 1998, is hereby stayed in its entirety until the Commission rules on the evidence presented at the *de novo* hearing.
- (2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director