

**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. 12568
ORDER NO. R-11541**

**APPLICATION OF POGO PRODUCING COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 11, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 7th day of March, 2001, 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, Pogo Producing Company ("Pogo"), seeks an order pooling all uncommitted mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 23, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any formations or pools developed on 320-acre spacing within this vertical extent, including the Undesignated East Red Tank-Cisco Canyon, Undesignated East Red Tank-Atoka, Undesignated East Red Tank-Morrow, and Undesignated Bootleg Ridge-Morrow Gas Pools. This unit is to be dedicated to Pogo's proposed Red Tank "23" Federal Com Well No. 4 to be drilled at a standard gas well location within the SE/4 NE/4 (Unit H) of Section 23.

(3) On January 9, 2001, EOG Resources, Inc. ("EOG"), an interest owner in the E/2 of Section 23 filed a Motion to Dismiss Case No. 12568 on the basis that:

- (a) on November 17, 2000 the United States Bureau of Land Management (BLM) approved EOG's Application for Permit to Drill its Red Tank "23-N" Federal Well No. 1 at a standard gas well location 1660 feet from the North line and 1980 feet from

the East line (Unit G) of Section 23 to test the Morrow formation. This well is dedicated to a standard 320-acre gas spacing and proration unit comprising the N/2 of Section 23;

- (b) the N/2 of Section 23 comprises a single federal lease, and the interest ownership within this proration unit has been voluntarily consolidated;
 - (c) at 7:00 a.m. on January 9, 2001, EOG commenced drilling the Red Tank "23-N" Federal Well No. 1; and
 - (d) the NE/4 of Section 23 is not available to be pooled into a Morrow proration unit comprising the E/2 of Section 23.
- (4) EOG's Motion to Dismiss Case No. 12568 is justified and should be approved.
- (5) Case No. 12568 should be dismissed.

IT IS THEREFORE ORDERED THAT:

- (1) Pursuant to EOG Resources, Inc.'s. Motion to Dismiss, Case No. 12568 is hereby dismissed.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Lori Wrotenbery".

LORI WROTENBERY
Director