

Entered December 14, 1983
JDR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8001
Order No. R-7377-A

APPLICATION OF SANTA FE EXPLORATION
COMPANY FOR AMENDMENT OF ORDER NO.
R-7377, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of December, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That in Case No. 7973, heard October 12, 1983, the applicant, Santa Fe Exploration Company, sought an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 18, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That on October 21, 1983, Division Order No. R-7377 was entered granting the applicant's request for compulsory pooling in the Wolfcamp and Pennsylvanian formations.

(4) That at the time of that original hearing, the applicant presented evidence as to the necessity to pool all interests in the Devonian formation under the E/2 of said Section 18 as well.

(5) That this matter was readvertised and opened for additional testimony as Case No. 8001 being the application of Santa Fe Exploration Company for an amendment of Division Order

-2-

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Order No. R-7377-A

No. R-7377 to include the Devonian formation in said compulsory pooling order.

(6) That no party appeared and objected to the proposed amendment of said Order No. R-7377.

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order No. (1) of Division Order No. R-7377 is hereby amended to read in its entirety as follows:

"(1) That all mineral interests, whatever they may be, in the Wolfcamp, Pennsylvanian, and Devonian formations underlying the E/2 of Section 18, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 320-acre spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of February, 1984, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Devonian formation;

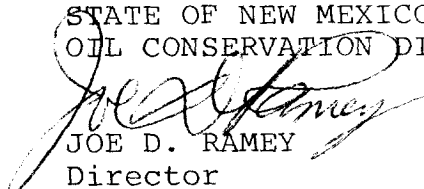
PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of February, 1984, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Order (1) of this order should not be rescinded."

(2) That jurisdiction of this cause 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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