

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. 8564
Order No. R-7817-A

APPLICATION OF THE COMMISSIONER OF PUBLIC
LANDS FOR THE STATE OF NEW MEXICO FOR THE
AMENDMENT OF DIVISION ORDER NO. R-7817,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 8, 1985,
at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 14th day of June, 1985, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS THAT:

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

(2) Division Order No. R-7817, dated January 16, 1985,
pooled all mineral interests, whatever they may be, from the
top of the Wolfcamp to the base of the Morrow Formation,
underlying the S/2 of Section 2, Township 22 South, Range 27
East, NMPM, Eddy County, New Mexico.

(3) Said Division order authorized the pooling of a
standard 320-acre gas spacing and proration unit, which parcel
of land had within its boundaries unleased land held in trust
by the State of New Mexico, to wit, the SW/4 and NW/4 SE/4 of
Section 2, Township 22 South, Range 27 East, NMPM, Eddy County,
New Mexico.

(4) Division Order No. R-7817 further approved an
unorthodox drilling location for a well to which said gas
spacing and proration unit is to be dedicated.

(5) The applicant, in agreement with TXO Production
Company, the original applicant in the case resulting in
Division Order No. R-7817, now requests the deletion of the

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compulsory pooling portion of said order and an extension of time in which to commence the drilling of the well at the approved unorthodox location.

(6) The Commission of Public Lands and TXO Production Company have entered into an agreement that has allowed for the communitization of said proration unit.

(7) The part of the application requesting the deletion of the compulsory pooling portion of Division Order No. R-7817 should be granted.

(8) The portion of the application requesting an extension of time to drill said unorthodox located well is not necessary since time is not a factor in Division approval of unorthodox locations.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraphs (1) through (13) of Division Order No. R-7817 are hereby rescinded and the following ordering paragraphs are substituted therefore in their entirety:

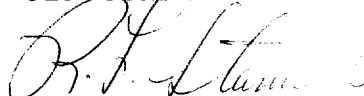
"(1) The application of TXO Production Company for an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 660 feet from the South line and 660 feet from the East line of Section 2, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

(2) The S/2 of said Section 2 shall be dedicated to the above-described well."

(3) 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



R. L. STAMETS,
Director

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