CASE 6684: CO2-IN-ACTION, INC. FOR CREA-FION OF A NEW CARBON DIOXIDE GAS POOL AND SPECIAL POOL RULES, HARDING COUNTY, N.M.

Continued to

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CASE NO.

6684 APPlication, Transcripts,

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IN THE MATTER OF: Application of CO -In-Action, Inc., CASE for creation of a new Carbon dioxide) 6684 gas pool and special pool rules, Harding County, New Mexico. } IN THE MATTER OF: Harding County, New Mexico. IN THE MATTER OF: Harding County: IN THE MATTER OF: IN THE MATTER OF: </td <td></td> <td>2 Oil Conse State L Santa</td> <td>MINERALS DEPARTMENT ervation Division and Office Bldg. Fe, New Mexico</td> <td></td>		2 Oil Conse State L Santa	MINERALS DEPARTMENT ervation Division and Office Bldg. Fe, New Mexico			
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Application of CO -In-Action, Inc.,) CASE for creation of a new carbon dioxide) 6684 gas pool and special pool rules,) Harding County, New Mexico. Harding County, New Mexico. BEFORE: Richard L. Stamets BEFORE: Richard L. Stamets TRANSCRIPT OF HEARING A P P E A R A N C E S For the Oil Conservation Division: Ernest L. Padilla, Esq. Legal Counsel for the Divisi State Land Office Bldg. Santa Fe, New Mexico 37501 For the Applicant: W. Thomas Kellahin, Esq. KELLAHIN & KELLAHIN S00 Don Gaspar Santa Fe, New Mexico 37501		IN THE MATTER OF:	······································			
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15 APPEARANCES 16 For the Oil Conservation Ernest L. Padilla, Esg. 17 Division: Legal Counsel for the Divisi State Land Office Bldg. 18 Santa Fe, New Mexico 87503 19 Por the Applicant: W. Thomas Kellahin, Esg. 20 For the Applicant: W. Thomas Kellahin, Esg. 21 Sol Don Gaspar 22 24 24 25	S¥a~	9	RIPT OF HEARING			
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1 MR. STAMETS: We'll call next Case 6684. 2 MR. PADILLA: Application of CO -In-Action, 3 Inc., for creation of a new carbon dioxide gas pool and 4 special pool rules, Harding County, New Mexico. 5 MR. KELLAHIN; I'm Tom Kellahin, appearing 6 on behalf of the applicant. 7 Mr. Examiner, it's the applicant's intent 8 to amend its application to provide for increased density 9 within this particular pool and allow the pool rules to re-10 main on 160-acre spacing. 11 And we'd like a continuance of this case 12 to determine whether we should re-advertise it and determine 13 exactly how we should present it. 14 MR. STAMETS: Okay. We'll continue Case 15 6684 to the November 14th Examiner Hearing. 16 17 (Hearing concluded.) 18 19 20 21 22 23 24

LLY WALTON BOYD FIED EHONTHAND REPORTER

REPORTER'S CERTIFICATE

SALLY WALTON BO

I, SALLY W. BOYD, Certified Shorthand Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability from my notes taken at the time of the hearing.

Cally W. Boyd, C.S. 2 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete system of the proceedings in the Examiner hearing of Case No. 6684 heard by me on 10 - 31 **79**. 1. Hamt , Examiner Oil Conservation Division

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SALLY WALTON BOYD CENTIFIED SHORTHAND REPORTER 1030 Plaza Banda (505) 471-445 Sauta Fe, New Mexico 57501

REPORTER'S CERTIFICATE

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SALLY WALTON BOYD CERTIFIED SHORTHAND REPORTER 3019 Planse Blance (605) 411-2462 Santa Po, New Mexico 51101 I, SALLY W. BOYD, Certified Shorthand Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepired by me to the best of my ability from my notes taken at the time of the hearing.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete count of the proceedings in the Examiner hearing of Case No. ______, neard by me on ______19____.

, Examiner

Oil Conservation Division

Page 2 of 3 Examiner Hearing - Wednesday - November 14, 1979

Docket No. 42-79

CASE 6721: Application of Aminoil USA, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Pennsylvanian formations underlying the N/2 of Section 10, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6684: (Continued from October 31, 1979, Examiner Hearing)

Application of CO2-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO2 Gas Pool and the promulgation of special pool rules therefor, including A provision for 40-acre spacing and proration units. Said pool would comprise all or parts of Sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.

- Application of Lloyd Davidson for an unorthodox oil well location, McKinley County, New Mexico. CASE 6722: Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Santa Fe Pacific Well No. 1, a Gallup-Entrada-Dakota test 960 feet from the South line and 1230 feet from the East line of Section 29, Township 16 North, Range 6 West, the SE/4 SE/4 of said Section 29 to be dedicated to the well.
- CASE 6723: Application of Kerrion & Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 of Section 27, Township 24 North, Range 2 West, South Blanco-Pictured Cliffs Pool, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6713: (Continued from October 31, 1979, Examiner Hearing)

Application of Depco Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the White Ranch Unit Area, comprising 18,962 acres, more or less, of State, Federal, and fee lands in Townships 12 and 13 South, Ranges 29 and 30 East.

- CASE 6724: Application of Coquina 011 Corporation for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 660 feet from the South line and 1650 feet from the East line of Section 7, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, the S/2 of said Section 7 to be dedicated to the well as a non-standard 320-acre proration unit.
- Application of Tenneco Oil Company for three non-standard gas proration units, San Juan County, New CASE 6725: Mexico. Applicant, in the above-styled cause, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.58-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.17-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, Basin-Dakota Pool, each unit to be dedicated to a well to be drilled at a standard location thereon.
- Application of Tesoro Petroleum Corporation for a waterflood project, McKinley County, New Nexico. CASE 6726: Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the South Hospah-Upper Sand Oil Pool by the injection of water into the Upper Hospah Sands through three wells located in Units E and M of Section 5 and Unit I of Section 8, Township 17 North, Range 8 West. Applicant further seeks an administrative procedure for expansion of said project.
- CASE 6727: Application of Conoco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks authority to dispose of produced salt water in its Anderson Ranch Unit Well No. 8 located in Unit I of Section 11, Township 16 South, Range 32 East, Anderson Ranch Field. Applicant would dispose into the Wolfcamp, Mississippian, and Devonian formations in the overall interval from 9775 feet to 13,620 feet through selective perforations.
- Application of Conoco Inc. for pressure maintenance expansion, Lea County, New Hexico CASE 6728: Applicant, in the above-styled cause, seeks the expansion of its Scarborough Eaves PM Project by the conversion of its Eaves "A" Well No. 7 located in Unit J of Section 19, Township 26 South, Range 37 East, to water injection in the Yates-Seven Rivers formations.



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. 6684 Order No. R-6184

APPLICATION OF CO₂-IN-ACTION, INC. FOR CREATION OF A NEW CARBON DIOXIDE GAS POOL AND SPECIAL POOL RULES, HARDING COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>28th</u> day of November, 1979, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That a new case covering, among other things, much of the matter included in this case has been docketed for hearing at a later date, and the subject case should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 6684 is hereby dismissed.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAMEY Director



STATE OF NEW MEXICO 1 ENERGY AND MINERALS DEPARTMENT 2 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 3 14 November 1979 4 EXAMINER HEARING 5 6 IN THE MATTER OF: 7 Application of CO₂-In-Action, Inc. for creation of a new carbon dioxide CASE 8 6684 gas pool and special pool rules, 9 Harding County, New Mexico. 10 õ 11 WALTON BEFORE: Daniel S. Nutter 12 ä 13 TRANSCRIPT OF HEARING 14 15 APPEARANCES 16 17 For the Oil Conservation Ernest L. Padilla, Esq. Legal Counsel for the Division Division: 18 State Land Office Bldg. Santa Fe, New Mexico 87503 19 20 21 22 23 24 25

MR. NUTTER: We'll call next Case Number

6684.

WALTON BOY

MR. PADILLA: Application of CO -In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico.

MR. NUTTER: Applicant has revised this application in this case.

It has been advertised for -- a new case has been advertised for November 28th, and Case Number 6684 will be dismissed.

(Hearing concluded.)

REPORTER CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability from my notes taken at the time of the hearing.

Jally W. Boyd C.S.R.

I do horsely contact that the foregoing is a contribute correct of the proceedings in the Exclusion housing of Cros Ho. heard by me on , Examiner

Oil Conservation Division

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MR. HUTTER: We'll call next Case Number

6684.

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It has been advertised for -- a new case has been advertised for November 28th, and Case Number 6684 will be dismissed.

(Hearing concluded.)

REPORTER CERTIFICATE

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I do hereby contributing the foregoing is of the proceedings in the Pro-Oheard b 0.30 ം.

, Examiner Conservation Division



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT **DIL CONSERVATION DIVISION**

BRUCE KING LARRY KEHOE

December 5, 1979

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SAMTA FE, NEW MEXICO 87501 (505) 827-2434

Mr. Chester Lambert CO_-In-Action P. O. Box 2748 Amarillo, Texas 79105

CASE NO. Re: ORDER NO. R-6184

Applicant:

CO₂-In-Action

6684

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Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Pours very truly, Ø MAN) JOE D. RAMEY Director

JDR/fd

Copy of order also sent to:

Hobbs OCD		x
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Aztec OCD		

Other

Oil Conservation Commission STOTE Land OFFICE BLDg Gentle ment; Coz in Action Maguest A Continue UNTIL OCTOBER 31, 1929 for case No. 6684 AFORMAL Letter And Flat wir Follow BS AN ERROR Was Made in NOT Hickory Sutions 3,4,5,21 in 21N-305 And Sections 9-16-11-12 12 20N-30K Cheste Lambert UP cor IN DETION



Memo

From

DICK - MR. CHESTER GALLAGHER OF BUEYEROS, NEW MEXICO TELEPHONED AND CAN'T MAKE IT TO THE HEARING BECAUSE OF THE SNOW. HE WANTS TO OBJECT TO THE CO₂ IN ACTION CASE

BECAUSE 1. Probable service damage from drilling

sites due to type of soil and terrain.

2. Pollution of surface and underground water due to drilling and sludge pits.

 Possible toxic effects to livestock from contents of sludge pits immediately or possibly later on through plants.

 Littering - especially plastic - which young cattle will eat and which kills them.

Oil Conservation

Santa Fe, New Mexico

Page 3 of 4

Examiner Hearing - Tuesday - October 2, 1979

Docket No. 38-79

CASE 6682: (This case will be dismissed.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Mississippian formations underlying the N/2 of Section 28, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6683: Application of Read & Stevens, Inc. for an unorthodox well location and non-standard oil proration unit, Les County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Devonian test well to be located 330 feet from the North line and 100 feet from the West line of Section 6, Township 11 South, Range 37 East, Lots 5 and 6 of said Section 6 to be dedicated to the well as a non-standard 49.33-acre proration unit.

CASE 6684: Application of CO2-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO₂ Gas Pool and the promulgation of special pool rules therefor, including a provision for 40-acre spacing and proration units. Said pool would comprise all or parts of Sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.

CASE 6685: Application of ARCO 011 and Gas Company for downhole commingling, Les County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry and Drinkard production in the wellbore of its J. R. Cone A Well No. 2 located in Unit L of Section 26, Township 21 South, Range 37 East.

CASE 6686: Application of Mesa Petroleum Company for an exception to Order No. R-111-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the casing-cementing rules of Order No. R-111-A to permit a well to be drilled in Unit F of Section 6, Township 20 South, Range 31 East, without a salt protection string and to circulate cement on the production string. Applicant also seeks the same exception for a possible future well in Unit E of said Section 6.

Docket No. 39-79

DCCKET: COMMISSION HEARING - WEDNESDAY - OCTOBER 3, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 6652: (Continued from September 19, 1979, Examiner Hearing)

Application of Shell Oil Company for statutory unitization, Les County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of a pressure maintenance project, all mineral interests in the North Hobbs Grayburg-San Andres Unit encompassing 10,650 acres, more or less, underlying all or portions of the following lands in Lea County, New Mexico: Sections 13, 14, 23, 24, 25, 26, and 36, Township 18 South, Range 37 East; Sections 17 through 21 and 27 through 34, Township 18 South, Range 38 East.

The unitized interval would be the Grayburg-San Andres Formation between the depths of 3,698 feet and 4,500 feet in Shell's State A Well No. 7, located in Unit H of Section 32, Township 18 South, Range 38 East.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator: the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the deter-mination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termina-tion of unit operations.

Page 2 of 2

Examiner Hearing - Wednesday - October 31, 1979

CASE 6684: (Continued from October 2, 1979, Examiner Hearing)

Application of CO₂-In-Action, Inc. for creation of a new carbon dioxide gas pool and special pool rules, Harding County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the North Bueyeros-Santa Rosa CO₂ Gas Pool and the promulgation of special pool rules therefor, including a provision for 40-acre spacing and protation units. Said pool would comprise all or parts of Sections 1 thru 4, Township 20 North, Range 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Range 30 East.

CASE 6714: Application of Jake L. Hamon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and West lines of Section 20, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, the S/2 of said Section 20 to be dedicated to the well.

P. O. Box 261 MOSQUERO, NEW MEXICO 87733 Phone: (505) 673-2287

P. O. Box 2748 AMARILLO, TEXAS 79105 Phone: (806) 373-8307

24 September 1979

CO² IN ACTION

OIL CONSERVATION DIVISION

Oil Conservation Commission State of New Mexico P.O. Box 2008 Santa Fe, New Mexico 87501

Dear Sirs:

CO2 - In - Action, Inc. seeks approval of a new field designation with special field rules. We request the formation of the North Bueyeros Carbon Dioxide Field, with 40 acre proration units on gas wells. This field will comprise the Santa Rosa Formation and the first one hundred feet above and below said formation, underlying all or parts of Sections 3, 4, 5, 8, 9, 10, 15, 16, 17, 21, 22, 32, 33, 34, T21N, R30E and Sections 1, 2, 3, 4, 9, 10, 11, 12, T20N, R30E, Harding County, New Mexico.

Your prompt consideration of this request will be appreciated.

Very truly yours,

CO2 - IN - ACTION, INC.

Edward A Hesher

E. H. Hesher Geologist

EHH/jgh

application of CO2-In-liction for creation of a new carbon dispide gas post and special pool rules, Harking County hav mapies applicant in the come styled cause, seeks the creation of the north Byeye Santa Rosa CO2 Das Pool and the promulgation of spicial goal knew therefor, including a provision for 40-acre spacing and prosation with Daid fool would Comprise all or parts of Sections 1 three 4, Township 20 horth, Runge 30 East, and Sections 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 and 34, Township 21 North, Kange 30 East. Ed Nesher P.O. Box 2>48 Chester Lambert amarille, Sepus >9/05 806 373-8307

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`	1	MR. STAMETS: The hearing will please of	come
	2	to order.	
•	3	We'll call at this time Case 6684.	
	4	MR. PADILLA: Application of CO ₂ -In-Act	tion,
	5	Inc., for creation of a new carbon dioxide gas pool and	
	6	special pool rules, Harding County, New Mexico.	
	7	MR. STAMETS: The applicant has request	ed
	8	this case be continued until October 31st, and it will be	9
	9	so continued.	
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ID REPO	11	(Hearing concluded.)	
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability from my notes taken at the time of the hearing.

Sally W. Boyd C.S.R. Sally W. Boyd, C.S.R.

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT Oil Conservation Division State Land Office Bldg. Santa Fe, New Mexico 2 October 1979 EXAMINER HEARING IN THE MATTER OF:) Application of CO_-In-Action, Inc., for creation of a new carbon dioxide) CASE 6684 gas pool and special pool rules,) Harding County, New Mexico. BEFORE: Richard L. Stamets TRANSCRIPT OF HEARING APPEARANCES Ernest L. Padilla, Esq. Division: Legal Counsel for the Division State Land Office Bldg. Santa Fe, New Mexico 87503

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For the Oil Conservation

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Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner loaring of Case to. _____, heard by me on ______ 19____.

Oll Contervation Division

Om Motion of Costa Dellin Create a new pool in fanding County -"northe Compose Canbo. Deoride Pool" (so we wont to have " Santo fora "northe Compose Canbo. Deoride Pool" (so we wont to have " Santo fora Special pool nules to provide for 40 acres specing for developing The pay - 100' above to 100' beiew Souta Kora for. all on partie of Sec 8, 9, 10, 15, 16, 17, 20, 21, 22, 27, 28, 32, 33 \$ 34 of T-21-N, R-30-E and Sec 1, 2, 3, \$4 of T-20-N, R-30-E, Harding Co.

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STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

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

CASE NO. 6684

Order No. R-6754 6184

APPLICATION OF CO₂-IN-ACTION, INC. FOR CREATION OF A²NEW CARBON DIOXIDE GAS POOL AND SPECIAL POOL RULES, HARDING COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on <u>November 14</u> 19 79, at Santa Fe, New Mexico, before Examiner <u>Daniel S. Nutter</u> NOW, on this <u>day of November</u>, 19 79, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted. IT IS THEREFORE ORDERED:

That Case No. <u>6684</u> is hereby <u>dismissed</u>.

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

anong other things, (1) That a new save covering much of the matter included in this care has been docketed for hearing at a later date, the matter bearing and the subject Case should be dismissed.