

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. 11887
ORDER NO. R-10992

**APPLICATION OF SANTA FE ENERGY RESOURCES, INC. FOR COMPULSORY
POOLING AND A NON-STANDARD GAS SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 22 and on May 14, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this *28th* day of May, 1998, 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) The applicant, Santa Fe Resources, Inc., seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 3, 4, 5, 6, 11, 12, 13, and 14 of irregular Section 1, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, to form a standard 315.12-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Osudo-Morrow Gas Pool, Undesignated West Osudo-Morrow Gas Pool, and the Undesignated Wilson-Morrow Gas Pool.

(3) Said unit is to be dedicated to the applicant's proposed Outland "1" State Well No. 1 (API No. 30-025-34169) to be drilled at a standard gas well location 3300 feet from the North line and 1650 feet from the West line (Lot 11/Unit K) of said irregular

Section 1.

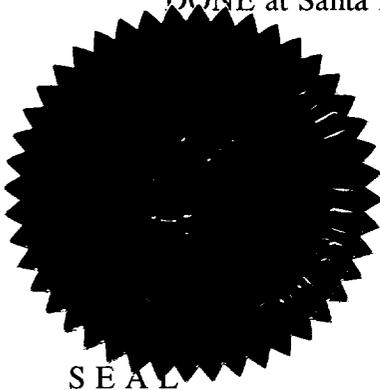
(4) Prior to the May 14, 1998 hearing, the applicant requested this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11887 is hereby dismissed.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director