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:

> CASES NOS. 10211 AND 10219 Order No. R-9480-A

APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

APPLICATION OF HANLEY PETROLEUM INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION STAYING ORDER NO. R-9480

BY THE DIVISION:

This matter having come before the Division upon the request of Hanley Petroleum Inc. for a Stay of Division Order No. R-9480 and the Division Director having considered the request and being fully advised in the premises,

NOW, on this <u>10th</u> day of April, 1991, the Division Director:

FINDS THAT:

(1) Division Order No. R-9480 was entered on March 29, 1991, upon the application of Santa Fe Energy Operating Partners, L.P. for a compulsory pooling order of the Hanley Petroleum Inc. interests.

(2) On April 8, 1991, Hanley Petroleum Inc. filed with the Division a request for a <u>De Novo</u> Hearing in this matter which will be set for hearing before the New Mexico Oil Conservation Commission on May 9, 1991.

(3) Pursuant to the terms of Division Order No. R-9480 Santa Fe Energy Operating Partners, L.P. has sent to Hanley Petroleum Inc. a notice by which it must make an election to participate in the subject well on or before May 4, 1991.

(4) Unless Division Order No. R-9480 is stayed, Hanley Petroleum Inc. will be denied a reasonable opportunity to make an election following the entry of an order by the Commission. Cases Nos. 10211 and 10219 Order No. R-9480-A Page 2

(5) Unless Division Order No. R-9480 is stayed the matters in dispute at the De Novo Hearing before the Commission will be moot.

(6) The entry of this order will not adversely affect the correlative rights of any party.

(7) Hanley has complied with the provision of Division Memorandum 3-85 and has filed its request for a stay on April 10, 1991.

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-9480 is hereby stayed in its entirety.

(2) Santa Fe Energy Partners, L.P.'s notification on April 4, 1991 to Hanley Petroleum Inc. of its thirty-day election period pursuant to Order No. R-9480 is void and of no effect.

(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.

OIL CONSERVATION DIVISION

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