

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

NOMENCLATURE
CASE NO. 11986 (Reopened)
ORDER NO. R-11059-A

IN THE MATTER OF CASE 11986 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-11059, WHICH ORDER ESTABLISHED TEMPORARY SPECIAL POOL RULES FOR THE TATUM-UPPER PENNSYLVANIAN POOL IN LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 18, 2001, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of October, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) By Order No. R-11059, entered in Case No. 11986 on September 16, 1998, the Division, upon the application of Saba Energy of Texas, Incorporated ("Saba"), created the Tatum-Upper Pennsylvanian Pool (**code: 96786**) for oil production from the Canyon and Cisco formations and established temporary special pool rules, which include provisions for:

- (i) standard 80-acre oil spacing and proration units; and
- (ii) designated well location requirements such that each well is located no closer than 330 feet to any quarter-quarter section line.

(3) As initially established by Division Order No. R-11059 and amended by Division Orders No. R-11116 on January 7, 1999, R-11183 on May 19, 1999, and R-11243 on September 15, 1999, the boundaries for the Tatum-Upper Pennsylvanian Pool currently comprise the following described area in Lea County, New Mexico:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM

Section 5: SW/4
Section 7: E/2
Section 8: NW/4.

(4) No operator, interested party, or mineral interest owner in the subject pool appeared at the time of the hearing to present evidence to support 80-acre spacing in the Tatum-Upper Pennsylvanian Pool or to defend the continuation of these special pool rules.

(5) In the absence of such supporting testimony, the "*Temporary Special Pool Rules for the Tatum-Upper Pennsylvanian Pool*" should be rescinded and the pool should be governed by all applicable statewide rules for oil wells as promulgated by the "Rules and Regulations of the Oil Conservation Division."

IT IS THEREFORE ORDERED THAT:

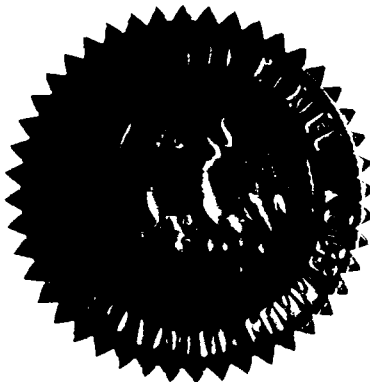
(1) The "*Temporary Special Rules and Regulations for the Tatum-Upper Pennsylvanian Pool*," as promulgated by Division Order No. R-11059 dated September 16, 1998, are hereby rescinded.

(2) Any future or existing oil wells within the Tatum-Upper Pennsylvanian Pool shall have dedicated thereto 40 acres in accordance with Division Rule 104.B (1).

(3) Failure to file new Forms C-102 with the Division dedicating 40 acres to any existing well within 60 days from the date of this order shall subject the well to cancellation of allowable.

(4) Jurisdiction is hereby 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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director