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. <u>7965</u> Order No. R- 7365/069-£H

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APPLICATION OF HICKS OIL AND GAS COMPANY FOR AN EXCEPTION 20 DEST TO CONTRACT FOR AN EXCEPTION ORDER NO. R-1069-B, SAN JUAN COUNTY,

NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on <u>September 28</u> 19<u>83</u>, at Santa Fe, New Mexico, before Examiner <u>Michael E Stogmer</u> NOW, on this <u>day of <u>September</u>, 19<u>83</u>, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,</u>

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter_thereof.

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(2) That the applicant, Hicks Oil and Gas Company, seeks an exception Special Bules and Regulations for To of RULE 2 of the find quickader go the Bisti-Lowe Gullup Oil Pool as promulgated by Division Order No. R-1069-B to provide for 80-acre prosation units comprising either the N/2 5/2, E/2 or W/2 of any single governmental quarter section in Section 2, Township 25 North, Range 13 West, N.M. P. M. San Juan County, New Mexico (3) That the application is sought to permit the applicant Sleribility in developing a new "sundstone bar" which may lie in this portion of said pool. (4) That the approval of the subject application will permit the applicant to recover oil from said pool which might not otherwise be recovered, thereby preventing waste, and will not violate correlative rights. IT IS THEREFORE DADERED : (1) That the applicant, Hicks Oil and bas Company, is hereby granted an exception to RULE 2 of the Special Ailes and Regulations for the Bisti - Lower Gallup Pool as promutgated by Division Order No. R-1069-B, to permit the development of Section 2, Township 25 North, Range 13 West, N. M. P. M. San Juan County, New Mexico, on 80-acre oil provation Units consisting of the M/2, 5/2, 5/2, or W/2 of any single governmental guarter section contained therein.

 $(2)(\mathbb{Z})$ That 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 **QIL CONSERVATION DIVISION** JOE D. RAMEY, Director