

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. 11407
ORDER NO. R-10508

**APPLICATION OF ZIA ENERGY, INC. FOR COMPULSORY POOLING AND
AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 2, 1995, in Roswell, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 1995, the Division Director, having considered 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, Zia Energy, Inc., seeks an order pooling all mineral interests from the surface to the base of the San Andres formation, underlying the following described acreage in Section 22, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico and in the following manner: (a) the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Penrose Skelly-Grayburg Pool; and, (b) the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Hare-San Andres Gas Pool. Both units are to be dedicated to its existing Eubank Well No. 5, located 330 feet from the North line and 2310 feet from the East line (Unit B) of said Section 22, which location is "standard" for the proposed 40-acre unit but is considered to be an unorthodox gas well location for the proposed 160-acre unit.

- (3) Prior to the hearing, the applicant requested this matter be dismissed.
- (4) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

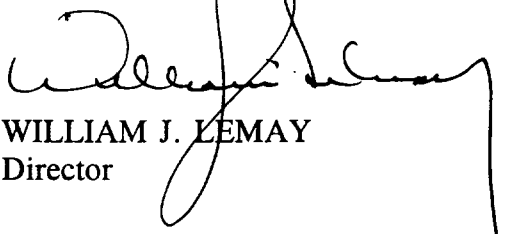
Case No. 11407 is hereby dismissed.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director