

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

**APPLICATION OF PREMIER OIL & GAS INC. TO HAVE THE DIVISION ORDER
EXXON COMPANY U.S.A. TO APPEAR AND SHOW CAUSE WHY ITS AVALON
(DELAWARE) UNIT OPERATING AGREEMENT SHOULD NOT BE AMENDED
TO CONFORM TO THE REQUIREMENTS OF THE STATUTORY
UNITIZATION ACT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 11838
Order No. R-10906-A**

ORDER OF THE COMMISSION

Oral arguments were presented to the Oil Conservation Commission of New Mexico ("Commission") on April 9, 1998, on the Motion to Dismiss filed by Exxon Corporation represented by James Bruce and Yates Petroleum Corporation represented by William F. Carr. Argument in support of the application was presented on behalf of Premier Oil & Gas Co., Inc. ("Premier") by W. Thomas Kellahin.

The Commission, a quorum being present, having considered the record and argument and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice of the Commission hearing was given as required by law.
- (2) The Commission has jurisdiction of this case and the subject matter herein.
- (3) The issue of the FV-1 Well's omission from the Avalon (Delaware) Unit established by the Oil Conservation Division Order No. R-10460 should have been raised at the hearing in that case before the Division, at the hearing in the *de novo* appeal of that case to the Commission, or in the application for rehearing filed by Premier with the Commission pursuant to NMSA 1978, § 70-2-25 (1935, as amended through 1981).

IT IS THEREFORE ORDERED THAT:

The Motion to Dismiss Premier's application is hereby granted.

Done this 15th day of April, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


LORI WROTENBERY, Chairman

JAMI BAILEY
Commissioner
Designee,
Commissioner of Public Lands

WILLIAM J. LEMAY
Commissioner

S E A L