

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. 11887
ORDER NO. R-10992

APPLICATION OF SANTA FE ENERGY RESOURCES, INC. FOR COMPULSORY
POOLING AND A NON-STANDARD GAS SPACING AND PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 22 and on May 14, 1998,
at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of May, 1998, the Division Director, having
considered the testimony, 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, Santa Fe Resources, Inc., seeks an order pooling all mineral
interests from the surface to the base of the Morrow formation underlying Lots 3, 4, 5, 6,
11, 12, 13, and 14 of irregular Section 1, Township 21 South, Range 34 East, NMPM,
Lea County, New Mexico, to form a standard 315.12-acre gas spacing and proration unit
for any and all pools developed on 320-acre spacing within said vertical extent, which
presently includes but is not necessarily limited to the Undesignated Osudo-Morrow Gas
Pool, Undesignated West Osudo-Morrow Gas Pool, and the Undesignated Wilson-Morrow
Gas Pool.

(3) Said unit is to be dedicated to the applicant's proposed Outland "1" State
Well No. 1 (API No. 30-025-34169) to be drilled at a standard gas well location 3300 feet
from the North line and 1650 feet from the West line (Lot 11/Unit K) of said irregular

Section 1.

(4) Prior to the May 14, 1998 hearing, the applicant requested this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11887 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director

JAMES BRUCE
ATTORNEY AT LAW

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My 11, 1998

M.E.

Via Fax

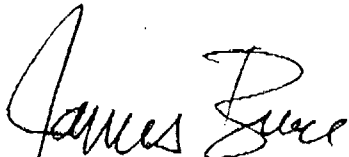
Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case 11887 (Application of Santa Fe Energy Resources,
Inc. for compulsory pooling, Lea County, New Mexico)

Dear Mr. Stogner:

Please dismiss the above case. Thank you.

Very truly yours,


James Bruce

Attorney for Santa Fe
Energy Resources, Inc.

cc: W. Thomas Kellahin (via fax)
William F. Carr (via fax)