

**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. 14050
ORDER NO. R-12853**

**APPLICATION OF DAN A. HUGHES, COMPANY, L.P.
FOR APPROVAL OF APPLICATION FOR PERMIT TO DRILL,
HIDALGO COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing on December 13, 2007 at Santa Fe, New Mexico, before Examiner Richard Ezeanyim.

NOW, on this 17th day of December 2007, the Division Director, having considered 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) The applicant, Dan A. Hughes Company, L.P., ("Applicant") seeks approval for Application for Permit to Drill (APD) its initial test well, namely Hueco South Unit 26 State Well No. 1 in Section 26, Township 32 South, Range 17 West, NMPM, Hidalgo County, New Mexico.

(3) The Hueco South Unit 26 State Well No. 1 is a proposed wildcat well to be drilled in Hidalgo County and its APD was referred to the hearing process to afford the general public the opportunity to provide any comments.

(4) The Applicant presented testimony that demonstrates that:

- (a) the Hueco South Unit 26 State Well No. 1 will be drilled to an approximate depth of 6600 feet at a standard well location 660 feet from the South and West lines of Section 26, Township 32 South, Range 17 West, NMPM, Hidalgo County, New Mexico;

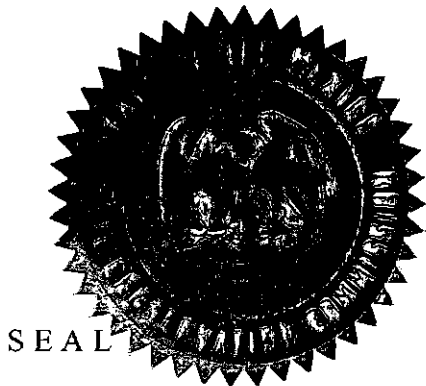
- (b) the proposed APD has an adequate surface casing program to ensure protection of ground water;
 - (c) all pertinent information including the Contingency Plan for Drilling Operations has been provided to the Division District II office in Artesia.
- (5) No interested party appeared or otherwise objected to the proposed APD.
- (6) The approval of the proposed APD will serve to prevent waste and protect correlative rights within the lands assigned to the unit area.

IT IS THEREFORE ORDERED THAT:


(1) The application of Dan A. Hughes Company, L.P. seeking approval for Application for Permit to Drill its Hueco South Unit 26 State Well No. 1 in Section 26, Township 32 South, Range 17 West, NMPM, Hidalgo County, New Mexico, is hereby GRANTED.

(2) The Division District II Office in Artesia is hereby authorized to approve the Application for Permit to Drill (APD) with all necessary and sufficient conditions to Dan A Hughes Company, L.P.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


MARK E. FESMIRE, P. E.
Director