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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. 11077
ORDER NO. R-10214

**APPLICATION OF SANTA FE ENERGY OPERATING PARTNERS, L.P. FOR
COMPULSORY POOLING, AN UNORTHODOX GAS WELL LOCATION AND
DIRECTIONAL DRILLING, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 1, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 4th day of October 1994, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premisses,

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 Energy Operating Partners, L.P. (Santa Fe Energy), seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 18, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, to form a standard 320.03-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes, but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool.

(3) The applicant proposes to dedicate said unit to its Sinagua "18" Federal Com Well No. 2 to be directionally drilled from an unorthodox surface gas well location 2041 feet from the South line and 2171 feet from the East line (Unit J) of said Section 18 to an unorthodox bottomhole gas well location within the Morrow formation that is within a 50-foot radius of a point 1300 feet from the South and East lines (Unit P) of said Section 18.