

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVA-
TION DIVISION FOR THE PURPOSE
OF CONSIDERING:**

**CASE NO. 11711
Order No. R-10658-A**

**APPLICATION OF ENRON OIL AND
GAS COMPANY FOR AMENDMENT OF
DIVISION ORDER NO. R-10658, LEA
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 23, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 10th day of February, 1997, 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) By Order No. R-10658 issued in Case No. 11598 on August 27, 1996, the Division, upon application of Enron Oil and Gas Company, pooled all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 7, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, thereby forming a standard 320-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 South Bell Lake-Morrow Gas Pool. Said unit was to be dedicated to the applicant's proposed Bell Lake Unit "7" Well No. 1 to be drilled at a standard gas well location 2200 feet from the North line and 1980 feet from the East line (Unit G) of Section 7.

(3) The applicant, Enron Oil and Gas Company (Enron), seeks to amend Division Order No. R-10658 by amending the well location for the proposed Bell Lake Unit "7" Well No. 1 to a standard location 1980 feet from the South and East lines (Unit J) of Section 7.

(4) The application in this case indicates that:

- a) Order No. R-10658 has been extended by the Division such that Enron is now required to commence drilling the Bell Lake Unit "7" Well No. 1 prior to March 1, 1997; and,
- b) data recently acquired by Enron indicates that the newly proposed well location for the Bell Lake Unit "7" Well No. 1 represents a better location in which to develop the Morrow gas reserves underlying the E/2 of Section 7.

(5) Enron provided notice of its application to all locatable interest owners within the subject spacing unit. No interest owner appeared at the hearing in opposition to the proposed amended well location.

(6) Enron's application should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The following described portion of Decretory Paragraph No. (1) of Division Order No. R-10658 is hereby amended to read in its entirety as follows:

"(1) All mineral interests, whatever they may be, from the surface to the base of the Morrow formation underlying the E/2 of Section 7, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, are hereby pooled forming a standard 320-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 South Bell Lake-Morrow Gas Pool. Said unit shall be dedicated to the Bell Lake Unit "7" Well No. 1 to be drilled at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 7."

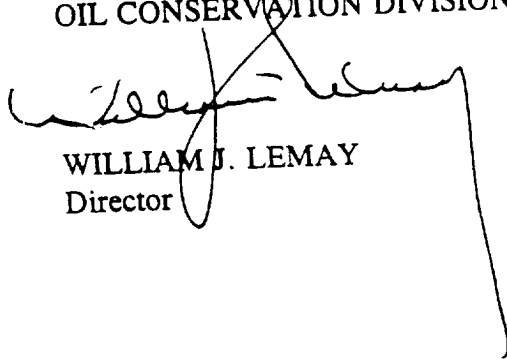
(2) All other provisions contained within Division Order No. R-10658 shall remain in full force and effect.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 11711
Order No. R-10658-A
Page -3- 

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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