

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. 10858
ORDER NO. R-10122

APPLICATION OF MITCHELL ENERGY CORPORATION FOR A WAIVER OF
THE SALT PROTECTION STRING REQUIREMENTS OF ORDER NO. R-111-P FOR
CERTAIN WELLS IN THE OIL/POTASH AREA, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION

This cause came on for hearing at 8:15 a.m. on April 28, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 31st day of May, 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 and in accordance with New Mexico Oil Conservation Division/Commission Order No. R-111-P, the Division has jurisdiction of this cause, the parties and the subject matter herein.

(2) Mitchell Energy Corporation ("Mitchell") has the right to develop the oil and gas minerals underlying all of Section 4, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and proposes to test for production in the Yates formation of the West Teas Yates-Seven Rivers Pool by drilling nine oil wells, each to an anticipated depth of approximately 3,600 feet and all located on separate 40-acre spacing and proration units within said Section 4.

(3) Mitchell has filed its application in this case seeking Division approval to delete the "salt protection string" requirements of Order R-111-P from the well program for each of these shallow oil wells which are identified on Exhibit "A" attached hereto.

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