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

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CASE NO. 9789(Reopened)
ORDER NO. R-9085-A

IN THE MATTER OF CASE 9789 BEING REOPENED
PURSUANT TO THE PROVISIONS OF DIVISION ORDER
NO. R-9085, WHICH PROMULGATED SPECIAL RULES AND
REGULATIONS FOR THE BADLAND HILLS-MANCOS OIL POOL
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

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OIL CON. DIV.
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This cause came on for hearing at 8:15 a.m. on June 13, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of June, 1991 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 Division Order No. R-9085, dated January 3, 1990, temporary Special Rules and Regulations were promulgated for the Badland Hills-Mancos Oil Pool comprising all of Section 15, Township 23 North, Range 1 West, NMPM, Rio Arriba County, New Mexico, establishing 640-acre spacing units, designated well location requirements, and the assignment of a top unit allowable of 800 barrels of oil per day for a period of 18 months.

(3) Pursuant to the provisions of said Order No. R-9085, this case was reopened to allow the operators in the subject pool to appear and show cause why the temporary Special Rules and Regulations for the Badland Hills-Mancos Oil Pool should not be rescinded.

(4) No operator in the subject pool appeared at the hearing to show cause why the Special Pool Rules for the Badland Hills-Mancos Oil Pool should not be rescinded at this time and the pool be governed by all applicable statewide rules for oil wells as promulgated by the "Rules and Regulations of the Oil Conservation Division."

(5) Division records indicate that there was only one well ever completed in the subject pool, that being Mobil's Badland Hills "15" Well No. 1 located 1775 feet from the North line and 990 feet from the West line (Unit E) of said Section 15; presently there are plans to plug and abandon said wellbore.

(6) It is not known at this time whether additional wells will be completed in the subject pool.

(7) The operators in the subject pool have not established that one well can efficiently and economically drain and develop 640 acres.

(8) The temporary Special Rules and Regulations for the Badland Hills-Mancos Oil Pool, promulgated by Division Order No. R-9085, should therefore be abolished.

IT IS THEREFORE ORDERED THAT:

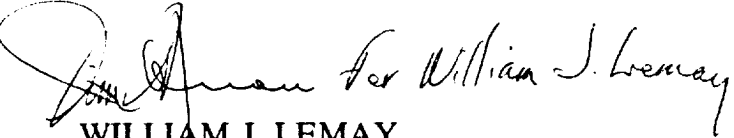
(1) The temporary Special Rules and Regulations governing the Badland Hills-Mancos Oil Pool, Rio Arriba County, New Mexico, promulgated by Order No. R-9085, are hereby abolished.

(2) Any future or existing oil wells in the Badland Hills-Mancos Oil Pool shall have dedicated thereto 40 acres in accordance with General Rule 104.C. Failure to file new Forms C-102 with the Division dedicating 40 acres to any existing well within 60 days from the date of this order shall subject the well to cancellation of allowable.

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

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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