

Entered February 23, 1981
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6670
Order No. R-6183-A

IN THE MATTER OF CASE 6670 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-6183, WHICH ORDER
PROMULGATED SPECIAL RULES AND
REGULATIONS FOR THE RED HILLS-
DEVONIAN GAS POOL, LEA COUNTY, NEW
MEXICO, INCLUDING A PROVISION FOR
640-ACRE SPACING UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of February, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-6183, dated November 28, 1979, temporary special rules and regulations were promulgated for the Red Hills-Devonian Gas Pool, Lea County, New Mexico, establishing temporary 640-acre spacing units.

(3) That pursuant to the provisions of Order No. R-6183, this case was reopened to allow the operators in the subject pool to appear and show cause why the Red Hills-Devonian Gas Pool should not be developed on 320-acre spacing units.

(4) That the evidence establishes that one well in the Red Hills-Devonian Gas Pool can efficiently and economically drain and develop 640 acres.

-2-

Case No. 6670

Order No. R-6183-A

(5) That the Special Rules and Regulations promulgated by Order No. R-6183 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-6183 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Red Hills-Devonian Gas Pool, Lea County, New Mexico, promulgated by Order No. R-6183, are hereby continued in full force and effect until further order of the Division.

(2) That 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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