

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. 8371
Order No. R-7783-A

IN THE MATTER OF CASE NO. 8371 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NO. R-7783 WHICH PROMULGATED
TEMPORARY SPECIAL RULES AND REGULATIONS
FOR THE BURTON FLAT-UPPER STRAWN POOL, EDDY
COUNTY, NEW MEXICO, INCLUDING A PROVISION FOR
160-ACRE SPACING UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 20, February 17, and March 16, 1988, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner.

NOW, on this 28th day of March, 1988, 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-7783, dated October 17, 1984, and entered in Case No. 8371, the Division created, defined, and promulgated temporary Special Rules and Regulations for the Burton Flat-Upper Strawn Pool, Eddy County, New Mexico, including a provision for 160-acre spacing and proration units.

(3) Pursuant to the provisions of Order No. R-7783, this case was reopened to allow the operators in the subject pool to appear and show cause why the Burton Flat-Upper Strawn Pool should not be developed on 40-acre spacing and proration units.

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(4) The Petroleum Corporation of Delaware, the only operator in the subject pool at the present time, appeared at the hearing and presented evidence and testimony in this case.

(5) The evidence presented establishes that one well in said pool can efficiently and economically drain and develop 160 acres.

(6) The Special Rules and Regulations promulgated by Order No. R-7783 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 oil in the pool.

(7) 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-7783 should be continued in full force and effect until further order of the Division.

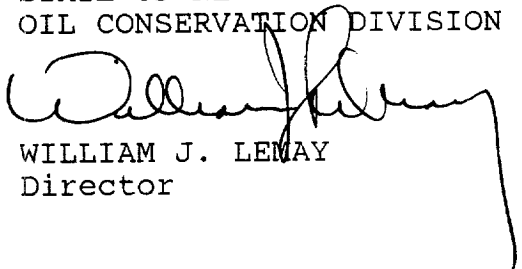
IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations governing the Burton Flat-Upper Strawn Pool, Eddy County, New Mexico, promulgated by Division Order No. R-7783, are hereby continued in full force and effect until further order of the Division.

(2) 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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