

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. 8798 (Reopened)  
Order No. R-8182-B

IN THE MATTER OF CASE 8798 BEING  
REOPENED PURSUANT TO THE PROVISIONS  
OF ORDER NO. R-8182, WHICH ORDER  
ESTABLISHED SPECIAL RULES AND REGU-  
LATIONS FOR THE WEST CASEY-STRAWN  
POOL, LEA COUNTY, NEW MEXICO,  
INCLUDING A PROVISION FOR 80-ACRE  
PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 4 and March 18, 1987, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 24th day of March, 1987, the Division Director, having considered the testimony, the records, 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-8182, dated March 11, 1986, temporary special rules and regulations were promulgated for the West Casey-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.

(3) Division Order No. R-8182-A, dated April 21, 1986, authorized an oil discovery allowable for the Amerind Oil Company Shipp Well No. 1 located in the NW/4 NE/4 (Unit B) of Section 33, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

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(4) Pursuant to the provisions of Order No. R-8182, this case was reopened to allow the operators in the subject pool to appear and show cause why the West Casey-Strawn Pool should not be developed on 40-acre spacing units.

(5) The evidence establishes that one well in said pool can efficiently and economically drain and develop 80 acres.

(6) The Special Rules and Regulations promulgated by Order No. R-8182 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-8182, as amended, should be continued in full force and effect until further order of the Division.

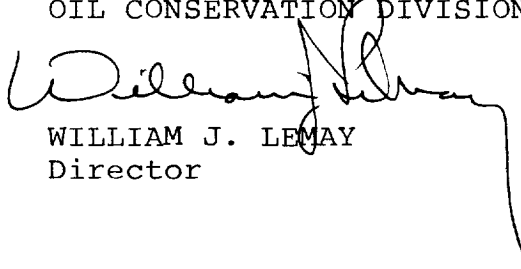
IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations governing the West Casey-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-8182, as amended, 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

S E A L  
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