

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION

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

CASE NUMBER

EXHIBIT NUMBER

2B

CASE NO. 6730
Order No. R-6197

APPLICATION OF PETROLEUM DEVELOPMENT
CORPORATION TO LIMIT 640-ACRE SPACING,
EDDY AND LEA COUNTIES, NEW MEXICO.

See Also Orders No.

R-2373

R-2373-

R-2373-A

R-2373-

R-2373-B

R-2373-C

R-2373-C(1)

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of November, 1979, 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-2373, dated November 21, 1962, the Division created the Lusk-Morrow Gas Pool and promulgated special rules therefor, including a provision for 640-acre spacing and proration units, and said rules were made permanent by Order No. R-2373-B, dated May 19, 1965.

(3) That said rules were made applicable to wells completed or recompleted in the Lusk-Morrow Gas Pool or in the Morrow formation within one mile of said pool and not nearer to nor within the limits of another designated pool.

(4) That the applicant in this case, Petroleum Development Corporation, seeks the amendment of the special rules for the Lusk-Morrow Gas Pool to cause said rules to be applicable only to those wells completed or recompleted within the boundaries of said pool, and not to wells completed or recompleted outside such boundaries but within one mile thereof.

(5) That the Lusk-Morrow Gas Pool, as presently defined by the Division, comprises the following described area:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Sections 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All
Sections 18 through 21: All
Sections 27 through 30: All
Section 32: All

(6) That no operator in the Lusk-Morrow Gas Pool nor within one mile thereof objected to applicant's proposal.

(7) That the limitation of the applicability of the special rules for the subject pool to said pool's boundaries as they currently exist will not impair correlative rights nor cause waste, but indeed may prevent waste by permitting the drilling for and production of gas which might otherwise remain unrecovered, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Lusk-Morrow Gas Pool, Eddy and Lea Counties, New Mexico, as promulgated by Division Order No. R-2373 dated November 21, 1962, and made permanent by Order No. R-2373-B, dated May 19, 1965, are hereby limited to the following described area:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Sections 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All
Sections 18 through 21: All
Sections 27 through 30: All
Section 32: All

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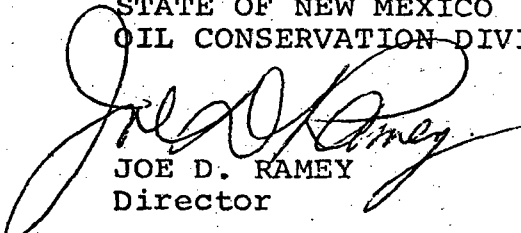
(2) That Rule 1 of said Special Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 1. Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth."

(3) 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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