



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 2, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 8030
ORDER NO. R-7471-B

Applicant:

Samuel Gary Oil Producers, Inc.
(Reopened)

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 8030
Order No. R-7471-B

IN THE MATTER OF CASE 8030 BEING REOPENED PURSUANT TO THE PROVISIONS OF ORDER NO. R-7471, WHICH ORDER ESTABLISHED SPECIAL RULES AND REGULATIONS FOR THE RIO PUERCO-MANCOS OIL POOL, SANDOVAL COUNTY, NEW MEXICO, INCLUDING A PROVISION FOR 320-ACRE PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 14, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 2nd day of June, 1986, 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-7471, dated March 7, 1984, temporary special rules and regulations were promulgated for the Rio Puerco-Mancos Oil Pool, Sandoval County, New Mexico, establishing temporary 320-acre spacing and proration units.
- (3) By Division Order No. R-7471-A, dated May 22, 1985, Rule No. (3) of said temporary rules and regulations relating to the well location requirements for the Rio Puerco-Mancos Oil Pool was amended.
- (4) Pursuant to the provisions of Order No. R-7471, this case was reopened to allow the operators in the subject pool to appear and show cause why the Rio Puerco-Mancos Oil Pool should not be developed on 40-acre spacing units.
- (5) The evidence establishes that one well in the Rio Puerco-Mancos Oil Pool can efficiently and economically drain and develop 320 acres.

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(6) The Special Rules and Regulations promulgated by Order No. R-7471, as amended, 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.

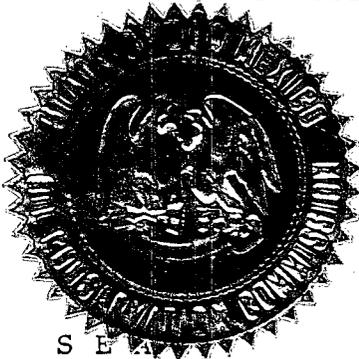
(7) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-7471, 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 Rio Puerco-Mancos Oil Pool, Sandoval County, New Mexico, promulgated by Order No. R-7471, 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

R. L. Stamets
R. L. STAMETS, Director

fd/