

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 10280 (Reopened)
ORDER NO. R-9594-A

IN THE MATTER OF CASE 10280 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-9594, WHICH PROMULGATED SPECIAL RULES AND REGULATIONS FOR THE MILNESAND-ABO POOL, ROOSEVELT AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 21, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of November, 1993 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-9594, dated October 10, 1991, temporary Special Rules and Regulations were promulgated for the Milnesand-Abo Pool comprising the E/2 of Section 33 and the S/2 of Section 34, both in Township 8 South, Range 35 East, NMPM, Roosevelt County, New Mexico; and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 3, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, establishing 80-acre spacing and designated well location requirements.
- (3) Pursuant to the provisions of said Order No. R-9594, this case was reopened to allow the operators in the subject pool to appear and show cause why the temporary Special Rules and Regulations for the Milnesand-Abo Pool should not be rescinded and to show cause why the subject pool should not be developed on other than 40-acre proration units.
- (4) Petroleum Production Management, Inc., operator of two of the four wells currently producing from the subject pool, appeared at the hearing and presented evidence and testimony in support of the continuation of the special pool rules.

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(5) Due to insufficient technical evidence and testimony, the special rules and regulations, as promulgated by Order No. R-9594, should be extended for an additional one-year period in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells, and to allow the operators in the subject pool additional time in which to conduct an engineering study and gather technical information concerning the reservoir characteristics of the pool.

(6) This case should therefore be reopened at an examiner hearing in November 1994 at which time the operators in the subject pool may appear and show cause why the temporary special rules and regulations for the Milnesand-Abo Pool should not be rescinded and why said pool should not be developed on 40-acre spacing and proration units.

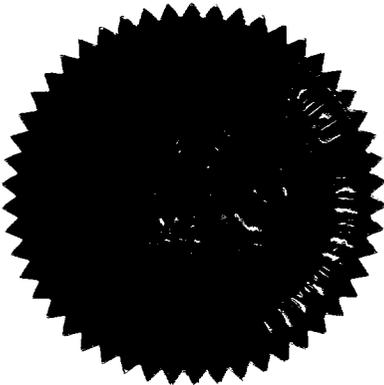
IT IS THEREFORE ORDERED THAT:

(1) The temporary Special Rules and Regulations governing the Milnesand-Abo Pool, Lea and Roosevelt Counties, New Mexico, promulgated by Division Order No. R-9594, dated October 10, 1991 shall remain in full force and effect for an additional period of one year.

(2) This case shall be reopened at an Examiner Hearing in November 1994, at which time the operators in the subject pool shall appear and show cause why said special pool rules should not be rescinded and why the Milnesand-Abo Pool should not be developed on other than 40-acre spacing and proration units.

(3) 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.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director