

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 NOS. 9175 and 9354
Order No. R-8476-B

IN THE MATTER OF CASE NO. 9175 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NO. R-8476, WHICH PRO-
MULGATED TEMPORARY SPECIAL RULES AND
REGULATIONS FOR THE NORTH-HUME WOLFCAMP
POOL, LEA COUNTY, NEW MEXICO, INCLUDING
A PROVISION FOR 80-ACRE SPACING UNITS.

IN THE MATTER OF CASE NO. 9354 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NOS. R-8476 AND R-8476-A,
WHICH PROMULGATED TEMPORARY SPECIAL RULES
AND REGULATIONS FOR THE NORTH-HUME WOLF-
CAMP POOL, LEA COUNTY, NEW MEXICO, IN-
CLUDING 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 July 26,
1989, at Santa Fe, New Mexico, before Examiner David R.
Catanach.

NOW, on this 11th day of August, 1989, 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.

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(2) Division Case Nos. 9175 and 9354 were consolidated at the time of the hearing for the purpose of testimony, and inasmuch as the subject matter of both cases concern the promulgation of permanent rules and regulations for the North Hume-Wolfcamp Pool, Lea County, New Mexico, one order should be entered for both cases.

(3) By Order No. R-8476 dated July 21, 1987, and upon the application of Santa Fe Energy Operating Partners, L.P., the Division promulgated temporary special rules and regulations for the North Hume-Wolfcamp Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

(4) By Order No. R-8476-A dated June 7, 1988, and upon the application of Santa Fe Energy Operating Partners, L.P., the Division amended the special rules and regulations for said North Hume-Wolfcamp Pool as described above to provide for standard proration units consisting of 160 acres.

(5) Pursuant to the provisions of said Order Nos. R-8476 and R-8476-A, these cases were reopened to allow the operators in the subject pool to appear and show cause why the special rules and regulations for said pool should not be rescinded and the pool developed on less than 160-acre spacing.

(6) Santa Fe Energy Operating Partners, L.P., operator of three wells in the subject pool, appeared at the hearing and presented evidence and testimony in support of the continuation of the special rules and regulations for said pool as promulgated and amended by Order Nos. R-8476 and R-8476-A, respectively.

(7) The evidence presented established that one well in the North Hume-Wolfcamp Pool can efficiently and economically drain and develop 160 acres.

(8) No other operator in the subject pool appeared and/or objected to the continuation of the special rules and regulations.

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(9) The special rules and regulations promulgated and amended by Order Nos. R-8476 and R-8476-A, respectively, have afforded and will afford the owner of each property in the subject pool the opportunity to produce his just and equitable share of the oil in the pool.

(10) In order to prevent the economic loss caused by the drilling of an excessive number of 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, Order No. R-8476-A should be continued in full force and effect until further order of the Division.

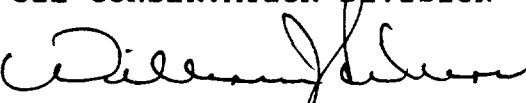
IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations governing the North Hume-Wolfcamp Pool, Lea County, New Mexico, as promulgated and amended by Order Nos. R-8476 and R-8476-A, respectively, 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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