ALP.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2737 Order No. R-2429-B

APPLICATION OF GULF OIL CORPORATION FOR SPECIAL POOL RULES FOR THE WHITE CITY-PENNSYLVANIAN GAS POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 11, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>13th</u> day of April, 1964, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2429-A, dated March 27, 1963, temporary special rules and regulations were promulgated for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That pursuant to the provisions of Order No. R-2429-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the White City-Pennsylvanian Gas Pool should not be developed on 160-acre spacing units.

(4) That the evidence establishes that one well in the White City-Pennsylvanian Gas Pool can efficiently and economically drain and develop 640 acres.

(5) That 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 -2-CASE No. 2737 Order No. R-2429-B

Order No. R-2429-A should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2429-A 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 gas in the pool.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the White City-Pennsylvanian Gas Pool promulgated by Order No. R-2429-A are hereby continued in full force and effect until further order of the Commission.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

CK M. CAMPBELL, airman

1 Copal S. WALKER, Member E. Torter.

SEAL

A. L. PORTER, Jr., Member & Secretary

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