

entered May 20, 1970
A. L. P.

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. 3727
Order No. R-3428-A

APPLICATION OF MONSANTO COMPANY
FOR CREATION OF TWO GAS POOLS
AND TEMPORARY SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 13, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of May, 1970, 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-3428, dated June 6, 1968, temporary
Special Rules and Regulations were promulgated for the Rock Tank-
Upper Morrow Gas Pool and for the Rock Tank-Lower Morrow Gas Pool,
Eddy County, New Mexico, establishing 640-acre spacing units for
a period of one year after first pipeline connection in either
of said pools.

(3) That pursuant to the provisions of Order No. R-3428,
this case was reopened to allow the operators in the subject
pools to appear and show cause why the Rock Tank-Upper Morrow
Gas Pool and the Rock Tank-Lower Morrow Gas Pool should not
be developed on 320-acre spacing units.

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(4) That the Special Rules and Regulations promulgated by Order No. R-3428 have afforded and will afford to the owner of each property in said pools the opportunity to produce his just and equitable share of the gas in said pools.

(5) That 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-3428 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool, Eddy County, New Mexico, promulgated by Order No. R-3428, 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


DAVID F. CARGO, Chairman


ALEX J. ARMLJO, Member


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

S E A L

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