

*Entered September 12, 1969
A. J. 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. 3857
Order No. R-3504-A

APPLICATION OF COASTAL STATES GAS
PRODUCING COMPANY FOR SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 10, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of September, 1969, 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-3504, dated September 17, 1968, temporary Special Rules and Regulations were promulgated for the Tulk-Pennsylvanian Pool, Lea County, New Mexico, establishing 160-acre spacing units and an 80-acre proportional factor of 4.77 for allowable purposes for a period of one year.

(3) That pursuant to the provisions of Order No. R-3504, this case was reopened to allow the operators in the subject pool to appear and show cause why the Tulk-Pennsylvanian Pool should not be developed on less than 160-acre spacing units and why the 80-acre proportional factor of 4.77 should or should not be retained.

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(4) That the evidence establishes that one well in the Tulk-Pennsylvanian Pool can efficiently and economically drain and develop 160 acres.

(5) That the Special Rules and Regulations promulgated by Order No. R-3504 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.

(6) 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-3504 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 Tulk-Pennsylvanian Pool, Lea County, New Mexico, promulgated by Order No. R-3504, 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. ARMILLO, Member


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

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