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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE NO. 4482 Order No. R-4093-B

IN THE MATTER OF CASE 4482 BEING REOPENED PURSUANT TO THE PROVISIONS OF ORDER NO. R-4093-A, WHICH ORDER CONTINUED 160-ACRE SPACING UNITS AND A MAXIMUM GAS-OIL RATIO LIMITATION OF 3,000 CUBIC FEET OF GAS FOR EACH BARREL OF OIL PRODUCED FOR THE PARKWAY-STRAWN POOL, EDDY COUNTY, NEW MEXICO, FOR AN ADDITIONAL ONE-YEAR PERIOD.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 17, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of February, 1973, 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-4093-A, dated January 12, 1972, the temporary Special Rules and Regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, establishing 160-acre spacing units and a limiting gas-oil ratio of 3,000 to one, were continued for a period of one year.
- (3) That pursuant to the provisions of Order No. R-4093-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the Parkway-Strawn Pool should not be developed on 40-acre or 80-acre spacing units and why the limiting gas-oil ratio should not revert to the statewide limit of 2,000 to one.
- (4) That the evidence establishes that one well in the Parkway-Strawn Pool can efficiently and economically drain and develop 160 acres and that a limiting gas-oil ratio of 3,000 cubic feet of gas per barrel of oil produced is a reasonable and proper gas-oil ratio limitation for said pool.
- (5) That the Special Rules and Regulations promulgated by Order No. R-4093 and continued in effect by Order No. R-4093-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 oil in the pool.

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(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 and other provisions promulgated by Order No. R-4093 and continued in effect by Order No. R-4093-A, 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 Parkway-Strawn Pool as promulgated by Order No. R-4093, and continued in effect by Order No. R-4093-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

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OIL_GONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. AMMIJO, Member

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

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