

Entered March 15, 1977
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5048
Order No. R-5353-A

IN THE MATTER OF CASE 5048 BEING REOPENED
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4637-A,
WHICH ORDER EXTENDED THE TEMPORARY SPECIAL POOL
RULES FOR THE SOUTH DAGGER DRAW-UPPER PENNSYLVANIAN
ASSOCIATED POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, 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-4637, dated September 26, 1973,
temporary special pool rules for the South Dagger Draw-Upper
Pennsylvanian Associated Pool were promulgated establishing 320-
acre spacing and proration units, an 8,000 to one gas-oil ratio
limitation, and a special depth bracket allowable of 267 barrels
of oil per day.

(3) That by Order No. R-4637-A, dated October 21, 1975, the
temporary special pool rules for the South Dagger Draw-Upper
Pennsylvanian Associated Pool, Eddy County, New Mexico, were
extended through January, 1977.

(4) That pursuant to the provisions of Order No. R-4637-A,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the temporary special pool rules for
the South Dagger Draw-Upper Pennsylvanian Associated Pool should
not expire.

(5) That Order No. R-5353, dated January 17, 1977, super-
seded said Order No. R-4637 as extended by Order No. R-4637-A.

(6) That the evidence presently available establishes that
the temporary special pool rules for the South Dagger Draw-Upper
Pennsylvanian Associated Pool 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 and gas in the pool, and that
one well will efficiently and economically drain and develop 320
acres.

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(7) That the Special Rules and Regulations promulgated by Order No. R-4637, as extended by Order No. R-4637-A, and as now promulgated by Order No. R-5353 will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, and otherwise prevent waste and protect correlative rights, and the Special Rules and Regulations promulgated by Order No. R-5353 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:


(1) That the temporary special pool rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool, promulgated by Order No. R-5353, 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

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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