

Entered March 11, 1980
JRK

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6387
Order No. R-5353-E-1

IN THE MATTER OF CASE 6387 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-5353-E WHICH ORDER
CLASSIFIED THE NORTH TOCITO DOME-
PENNSYLVANIAN POOL, SAN JUAN COUNTY,
NEW MEXICO, AS AN ASSOCIATED POOL AND
PROVIDED FOR 160-ACRE SPACING FOR OIL
WELLS AND 320-ACRE SPACING FOR GAS WELLS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-5353-E, dated December 29, 1978, temporary special rules and regulations were promulgated for the North Tocito Dome-Pennsylvanian Pool, San Juan County, New Mexico, classifying said pool as an associated oil and gas pool and establishing temporary 160-acre spacing units for oil wells located therein and 320-acre spacing for gas wells.

(3) That pursuant to the provisions of Order No. R-5353-E, this case was reopened to allow the operators in the subject pool to appear and show cause why the subject pool should not be classified as an oil pool or a gas pool to be governed by the statewide rules.

(4) That the evidence available to date establishes that the pool is apparently an associated reservoir and that pending further development its classification as such should continue.

(5) That the Special Rules and Regulations promulgated by Order No. R-5353-E 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.

(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-5353-E should be continued in full force and effect for an additional 18-month period.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Tocito Dome-Pennsylvanian Associated Pool, San Juan County, New Mexico, promulgated by Order No. R-5353-E, are hereby continued in full force and effect until further order of the Division.

(2) That this case should be reopened at an examiner hearing in July, 1981, at which time the operators in the subject pool should be prepared to appear and show cause why the North Tocito Dome-Pennsylvanian Associated Pool should not be reclassified as an oil pool or as a gas pool to be governed by the statewide rules.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L
fd/