

Entered May 2, 1979

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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. 6072 (Reopened)
Order No. R-5643-A

IN THE MATTER OF CASE 6072 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-5643, WHICH ORDER ESTABLISHED
SPECIAL RULES AND REGULATIONS FOR THE
TRAVIS-UPPER PENNSYLVANIAN POOL, EDDY
COUNTY, NEW MEXICO, INCLUDING A PROVISION
FOR 80-ACRE PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 25, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of May, 1979, 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-5643, dated February 14, 1978, temporary special rules and regulations were promulgated for the Travis-Upper Pennsylvanian Pool, Eddy County, New Mexico, establishing temporary 80-acre spacing units.

(3) That pursuant to the provisions of Order No. R-5643, this case was reopened to allow the operators in the subject pool to appear and show cause why the Travis-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

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(4) That while the evidence presented establishes that one well in the Travis-Upper Pennsylvanian Pool can drain and develop 80 acres, the evidence demonstrated that normal methods of operation will result in a relatively low rate of recovery from said pool.

(5) That the operators in said Travis-Upper Pennsylvanian Pool should prepare a plan for pool development which will result in the greater ultimate recovery therefrom and present such plan to the Director of the Division within 12 months after the date of this order.

(6) That upon the failure of the operators to present such plan to the Director, or if the Director determines such plan to be inadequate, this case should be reopened to allow the operators in the subject pool to appear and show cause why the Travis-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(7) That under the conditions set out in Findings Nos. (5) and (6) above, the Special Rules and Regulations promulgated by Order No. R-5643 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 gas in the pool.

(8) 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-5643 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Travis-Upper Pennsylvanian Pool, Eddy County, New Mexico, promulgated by Order No. R-5643, are hereby continued in full force and effect until further order of the Division.

(2) That the operators in said Travis-Upper Pennsylvanian Pool shall prepare a plan for pool development which will result in the greater ultimate recovery therefrom and present such plan to the Director of the Division within 12 months after the date of this order.

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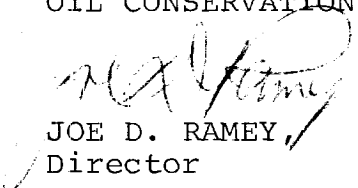
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(3) That upon the failure of the operators to present such plan to the Director, or if the Director determines such plan to be inadequate, this case shall be reopened to allow the operators in the subject pool to appear and show cause why the Travis-Upper Pennsylvanian Pool should not be developed on 40-acre spacing units.

(4) 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

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