

Entered March 19, 1980
AR

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. 6373
Order No. R-5875-A

IN THE MATTER OF CASE 6373 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-5875, WHICH ORDER
ESTABLISHED SPECIAL RULES AND REGULATIONS
FOR THE EAST HIGH HOPE-ABO GAS POOL,
EDDY COUNTY, NEW MEXICO, INCLUDING A
PROVISION FOR 320-ACRE PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 27, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 19th 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-5875, dated November 30, 1978, temporary special rules and regulations were promulgated for the East High Hope-Abo Gas Pool, Eddy County, New Mexico, establishing temporary 320-acre spacing units.
- (3) That pursuant to the provisions of Order No. R-5875, this case was reopened to allow the operators in the subject pool to appear and show cause why the East High Hope-Abo Gas Pool should not be developed on 160-acre spacing units.
- (4) That the evidence available at the time of the hearing was insufficient to establish that one well in the East High Hope-Abo Gas Pool can efficiently and economically drain and develop 320 acres.

-2-

Case No. 6373
Order No. R-5875-A

(5) That the operators in said East High Hope-Abo Gas Pool should be permitted an additional two years to gather reservoir data to establish the proper spacing for said pool.

(6) That this matter should be reopened at an examiner hearing during February, 1982, at which time the operators therein should be permitted to appear and show cause why said pool should not be developed on 160-acre spacing units.

(7) That a two year extension of the Special Rules and Regulations promulgated by Order No. R-5875 will serve to prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

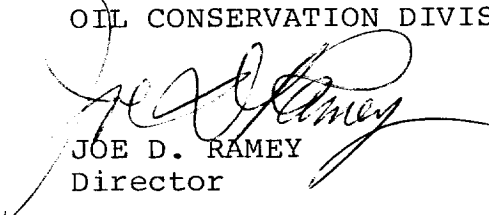
(1) That the temporary Special Rules and Regulations governing the East High Hope-Abo Gas Pool, Eddy County, New Mexico, promulgated by Order No. R-5875, are hereby continued in full force and effect until February, 1982.

(2) That this matter shall be set for a hearing before a Division Examiner during February, 1982, at which time operators in said pool may appear and show cause why the East High Hope-Abo Gas Pool should not be developed on 160-acre spacing units.

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/