

Entered October 10, 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. 6657
Order No. R-6132

APPLICATION OF PETROLEUM DEVELOPMENT
CORPORATION FOR THE RESCISSION OF
SPECIAL POOL RULES, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of October, 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 the applicant, Petroleum Development Corporation, seeks the rescission of the special pool rules for the South Hope-Pennsylvanian Gas Pool to provide for 320-acre spacing rather than 640 acres.
- (3) That by Order No. R-2598, dated October 30, 1963, temporary special rules and regulations were promulgated for the South Hope-Strawn Gas Pool, Eddy County, New Mexico, establishing temporary 640-acre spacing units.
- (4) That Order No. R-3662 redesignated said pool as the South Hope-Pennsylvanian Gas Pool effective February 1, 1969.
- (5) That by Order No. R-2598-A, dated February 9, 1970, the temporary pool rules for the South Hope-Pennsylvanian Gas Pool were made permanent.

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(6) That all producing wells in the South Hope-Pennsylvanian Gas Pool were depleted and the pool abandoned prior to the end of 1973.

(7) That the applicant in this case proposes further exploration and development in the subject pool based on 320-acre spacing rather than the present 640-acre spacing, and the legal notice given for this case stated that in the absence of objection, the 640-acre pool rules would be rescinded and the pool placed on standard 320-acre spacing for Pennsylvanian gas pools rather than the present 640-acre spacing.

(8) That no objection to the rescission of said pool rules was received at the hearing, and the pool rules should be rescinded.

(9) That such rescission will not impair correlative rights nor cause waste, but in fact may prevent waste by causing the recovery of gas which otherwise would not be recovered.

IT IS THEREFORE ORDERED:

(1) That the special pool rules for the South Hope-Pennsylvanian Gas Pool in Eddy County, New Mexico, as promulgated by Order No. R-2598 and made permanent by Order No. R-2598-A, are hereby rescinded.

(2) 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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