

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8874 (REOPENED)
Order No. R-639-D

IN THE MATTER OF CASE 8874 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF DIVISION ORDER NO. R-639-C-1
WHICH ORDER RECLASSIFIED THE CROSBY-
DEVONIAN GAS POOL IN LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 10, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of January, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-639, dated May 29, 1955, the Crosby-Devonian Gas Pool was created and special pool rules were promulgated including a provision for 160-acre spacing and proration units.

(3) By Division Order No. R-639-A, dated December 28, 1956, which order superseded Order No. R-639, additional special rules and regulations for the Crosby-Devonian Gas Pool were promulgated including the institution of gas proration, which was subsequently continued under the provisions of Division Order No. R-8170, as amended.

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(4) By Division Order No. R-639-C, the Crosby-Devonian Gas Pool was reclassified as an associated pool and designated the Crosby-Devonian Associated Pool. Said Order also established temporary special rules and regulations whereby said pool would be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Southeast New Mexico as promulgated by Division Order No. R-5353, as amended, and further required that oil wells be spaced on 40-acre proration units and gas wells be spaced on 160-acre proration units.

(5) Pursuant to the provisions of said Order No. R-639-C, Case 8874 was reopened January 6, 1988 in order to allow the operators in the subject pool the opportunity to present evidence and testimony to show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool.

(6) By Order No. R-639-C-1, the Division granted a two year extension to the temporary special rules and regulations for the Crosby-Devonian Associated Pool.

(7) Pursuant to the provisions of Division Order No. R-639-C-1, this case was reopened at this time to allow the operators in the subject pool the opportunity to present evidence and testimony to show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool.

(8) Neither American Exploration Company, who entered a brief appearance in this case, or Chevron USA Inc., the only two operators in the Crosby-Devonian Associated Pool at the present time, presented any evidence or testimony in support of continuing the present pool classification.

(9) Inasmuch as there is no further evidence to support the continued present pool classification, the Crosby-Devonian Associated Pool should be reclassified as a gas pool at this time.

(10) The Crosby-Devonian Gas Pool should be governed by the provisions of Division Order Nos. R-639-A and R-8170, as amended.

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(11) Division Order Nos. R-639-C and R-639-C-1 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) The Crosby-Devonian Associated Pool in Lea County, New Mexico, is hereby reclassified as a gas pool and designated the Crosby-Devonian Gas Pool.

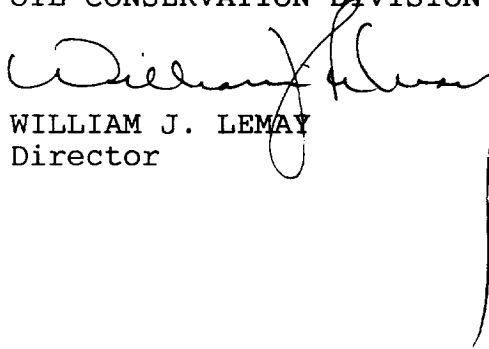
(2) The Crosby-Devonian Gas Pool shall be governed by the special rules and regulations as contained within Division Order Nos. R-639-A and R-8170, as amended.

(3) Division Order Nos. R-639-C and R-639-C-1 are hereby superseded by this order.

(4) 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


WILLIAM J. LEMAY
Director

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