

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. 7936
Order No. R-7364-B

IN THE MATTER OF DIVISION CASE NO.
7936 BEING REOPENED PURSUANT TO THE
PROVISIONS OF DIVISION ORDER NO.
R-7364, AS AMENDED, WHICH ORDER
ESTABLISHED SPECIAL RULES AND REGU-
LATIONS FOR THE CEDAR POINT-STRAWN
POOL, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 13, 1985, and March 13, 1985, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Gilbert P. Quintana, respectively.

NOW, on this 15th day of March, 1985, 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-7364, dated September 30, 1983, as amended by Division Order No. R-7364-A, dated October 24, 1983, temporary special rules and regulations were promulgated for the Cedar Point-Strawn Pool, Chaves County, New Mexico, establishing, among other things, temporary 80-acre standard spacing and proration units.

(3) Pursuant to the provisions of said Division Order No. R-7364, as amended, this case was reopened to allow the operators in the subject pool to appear and show cause why the Cedar Point-Strawn Pool should not be developed on 40-acre spacing and proration units.

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(4) The evidence establishes that one well in the Cedar Point-Strawn Pool can efficiently and economically drain and develop 80 acres.

(5) The Special Rules and Regulations promulgated by said Division Order No. R-7364, as amended, 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 in the pool.

(6) 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 said Division Order No. R-7364, as amended, should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations governing the Cedar Point-Strawn Pool, Chaves County, New Mexico, promulgated by Division Order No. R-7364, dated September 30, 1983, as amended by Division Order No. R-7364-A, dated October 24, 1983, are hereby continued in full force and effect until further order of the Division.

(2) 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



R. L. STAMETS
Director

S E A L

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