

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

IN THE MATTER OF CASE NO. 9200
BEING REOPENED PURSUANT TO THE
PROVISIONS OF DIVISION ORDER
NO. R-8518, WHICH PROMULGATED
TEMPORARY SPECIAL RULES AND
REGULATIONS FOR THE SOUTH SHOE
BAR-UPPER PENNSYLVANIAN POOL,
LEA COUNTY, NEW MEXICO

Reopened
CASE NO. 9200
ORDER NO. R-8518-A

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 12, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 24th day of April, 1989, 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) Division Order No. R-8518, issued in Case No. 9200 and dated September 28, 1987, promulgated temporary special rules and regulations for the South Shoe Bar-Upper Pennsylvanian Pool, Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well locations.

(3) Pursuant to the provisions of said Order No. R-8518 this case was reopened to allow the operators in the subject pool to appear and show cause why the Special Rules and Regulations for said pool should not be rescinded and the pool be developed on statewide 40-acre oil spacing units.

(4) Mobil Producing Texas and New Mexico, Inc., operator of the four wells in the pool and the applicant in original Case No. 9200, appeared at the hearing and presented evidence and testimony in support of the continuation of the special rules and regulations for the subject pool.

(5) The evidence presented established that one well in the subject pool can efficiently and economically drain and develop 80 acres.

Case No. 9200
Order No. R-8518-A
Page No. 2

(6) The special rules and regulations promulgated by Order No. R-8518 have afforded and will afford the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(7) In order to prevent the economic loss caused by the drilling of an excessive number of 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, Order No. R-8518 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 South Shoe Bar-Upper Pennsylvanian Pool, Lea County, New Mexico, promulgated by Division Order No. R-8518, 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



WILLIAM J. LEMAY
Director

S E A L