

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. 9582(REOPENED)*  
*ORDER NO. R-8872-A*

**IN THE MATTER OF CASE 9582 BEING REOPENED  
PURSUANT TO THE PROVISIONS OF ORDER NO. R-8872,  
WHICH PROMULGATED TEMPORARY SPECIAL RULES AND  
REGULATIONS FOR THE HAT-MESA BONE SPRING POOL,  
LEA COUNTY, NEW MEXICO, INCLUDING A PROVISION FOR  
80-ACRE PRORATION UNITS.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21 and March 21, 1991, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 29<sup>th</sup> day of March, 1991 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 Order No. R-8872, dated February 28, 1989 temporary Special Rules and Regulations were promulgated for the Hat Mesa-Bone Spring Pool, Lea County, New Mexico, establishing 80-acre spacing units for a period of two years.

(3) Pursuant to the provisions of said Order No. R-8872, this case was reopened to allow the operators in the subject pool to appear and show cause why the temporary Special Rules and Regulations for the Hat Mesa-Bone Spring Pool should not be rescinded.

(4) No operator in the subject pool appeared at either hearing to show cause why the Special Pool Rules for the Hat Mesa-Bone Spring Pool should not be rescinded at this time and the pool be governed by all applicable statewide rules for oil wells as promulgated by the "Rules and Regulations of the Oil Conservation Division."

(5) Division records indicate that currently only one well is marginally producing from said pool, the Strata Production Company Gavilon Federal Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 33, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

(6) It is not known at this time whether additional wells will be completed in the subject pool.

(7) The operators in the subject pool have not established that one well can efficiently and economically drain and develop 80 acres.

(8) The temporary Special Rules and Regulations for the Hat Mesa-Bone Spring Pool, promulgated by Division Order No. R-8872, should therefore be abolished.

IT IS THEREFORE ORDERED THAT:

(1) The temporary Special Rules and Regulations governing the Hat Mesa-Bone Spring Pool, Lea County, New Mexico, promulgated by Order No. R-8872, are hereby abolished.

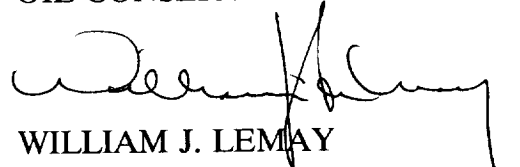
(2) All existing oil wells in the Hat Mesa-Bone Spring Pool shall have dedicated thereto 40 acres in accordance with General Rule 104.C. Failure to file new Forms C-102 with the Division dedicating 40 acres to a well within 60 days from the date of this order shall subject the well to cancellation of allowable.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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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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