Entered July 30, 1974 all

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 3608 Order No. R-3282-A

IN THE MATTER OF CASE 3608 BEING REOPENED PURSUANT TO THE PROVISIONS OF ORDER NO. R-3282, WHICH ORDER ESTABLISHED TEMPORARY RULES FOR THE CARLSBAD PERMO-PENN GAS POOL, EDDY COUNTY, NEW MEXICO, INCLUDING A PROVISION FOR 640-ACRE SPACING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>30th</u> day of July, 1974, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-3282, dated July 27, 1967, temporary rules were promulgated for the Carlsbad Permo-Penn Gas Pool, Eddy County, New Mexico, establishing temporary 640-acre spacing units.

(3) That pursuant to the provisions of Order No. R-3282, this case was reopened to allow the operators in the subject pool to appear and show cause why the Carlsbad Permo-Penn Gas Pool should not be developed on 320-acre spacing units.

(4) That no cause was shown why said pool should not be developed on 320-acre spacing.

(5) That in order to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the temporary rules promulgated by Order No. R-3282 should be rescinded and the pool should be governed by the Statewide Rules for gas pools of Pennsylvanian age or older, effective October 1, 1974. -2-Case No. 3608 Order No. R-3282-A

IT IS THEREFORE ORDERED:

(1) That the Temporary Rules governing the Carlsbad Permo-Penn Gas Pool, Eddy County, New Mexico, promulgated by Order No. R-3282, are hereby <u>rescinded</u>, effective October 1, 1974.

(2) That after October 1, 1974, the Permo-Penn Gas Pool shall be governed by the Statewide Rules for gas pools of Pennsylvanian age or older.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

. R. TRUJILLO, Chairman I

ALEX J. ARMIJO, Member A. L. PORTER, Jr., Member & Secretary

SEAL