

Entered May 18, 1976
JDR

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. 5098 (Reopened)
Order No. R-4682-B

IN THE MATTER OF CASE 5098 BEING REOPENED
PURSUANT TO THE PROVISIONS OF ORDER NO.
R-4682, WHICH ORDER ESTABLISHED SPECIAL
RULES AND REGULATIONS FOR THE RED TANK-
MORROW GAS POOL, LEA 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 May 12, 1976,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 18th day of May, 1976, 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-4682, dated November 30, 1973,
temporary special rules and regulations were promulgated for the
Red Tank-Morrow Gas Pool, Lea County, New Mexico, establishing
temporary 640-acre spacing units.
- (3) That pursuant to the provisions of Order No. R-4682,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the Red Tank-Morrow Gas Pool should
not be developed on 320-acre spacing units.
- (4) That the evidence establishes that one well in the Red
Tank-Morrow Gas Pool can efficiently and economically drain and
develop 640-acres.
- (5) That the Special Rules and Regulations promulgated by
Order No. R-4682 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 gas in the pool.

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(6) That 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 Order No. R-4682 should be continued in full force and effect until further order of the Commission.

(7) That Order No. R-4682-A, which rescinded Order No. R-4682 effective at 7:00 o'clock a.m., May 1, 1976, should be rescinded prior to its effective date, thereby making the Special Rules and Regulations governing the Red Tank-Morrow Gas Pool continuously in effect from November 30, 1973, until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Red Tank-Morrow Gas Pool, Lea County, New Mexico, promulgated by Order No. R-4682, are hereby continued in full force and effect until further order of the Commission.

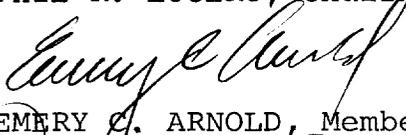
(2) That Order No. R-4682-A is hereby rescinded effective prior to May 1, 1976.

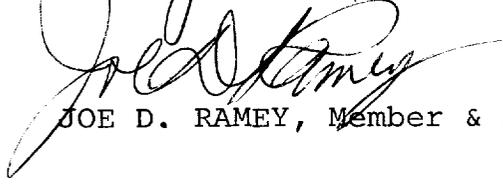
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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