

Entered May 13, 1980

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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. 6467
Order No. R-5958-A

IN THE MATTER OF CASE 6467 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-5958, WHICH ORDER
ESTABLISHED SPECIAL RULES AND
REGULATIONS FOR THE GRAMA RIDGE-BONE
SPRING POOL, LEA COUNTY, NEW MEXICO,
INCLUDING A PROVISION FOR 160-ACRE
PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 23, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of May, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-5958, dated March 30, 1979, temporary special rules and regulations were promulgated for the Grama Ridge-Bone Spring Pool, Lea County, New Mexico, establishing temporary 160-acre spacing units.

(3) That pursuant to the provisions of Order No. R-5958, this case was reopened to allow the operators in the subject pool to appear and show cause why the Grama Ridge-Bone Spring Pool should not be developed on 40-acre spacing units.

(4) That the evidence establishes that one well in the Grama Ridge-Bone Spring Pool can efficiently and economically drain and develop 160 acres.

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(5) That the Special Rules and Regulations promulgated by Order No. R-5958 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) 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-5958 should be continued in full force and effect until further order of the Division.

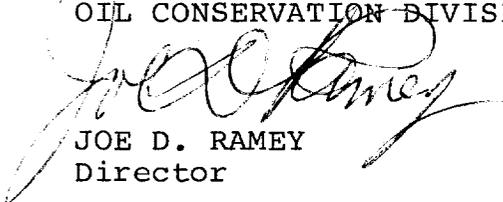
IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Grama Ridge-Bone Spring Pool, Lea County, New Mexico, promulgated by Order No. R-5958, are hereby continued in full force and effect until further order of the Division.

(2) That 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


JOE D. RAMEY
Director

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