

Entered December 17, 1980

AK

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. 6668  
Order No. R-6139-A

IN THE MATTER OF CASE 6668 BEING  
REOPENED PURSUANT TO THE PROVISIONS  
OF ORDER NO. R-6139, WHICH ORDER  
ESTABLISHED SPECIAL RULES AND REGULA-  
TIONS FOR THE SOUTH CULEBRA BLUFF-  
BONE SPRING POOL, EDDY 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 9 a.m. on December 10, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of December, 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-6139, dated October 12, 1979, temporary special rules and regulations were promulgated for the South Culebra Bluff-Bone Spring Pool, Eddy County, New Mexico, establishing temporary 80-acre spacing units.

(3) That pursuant to the provisions of Order No. R-6139, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Culebra Bluff-Bone Spring Pool should not be developed on 40-acre spacing units.

(4) That the evidence presently available is insufficient to clearly establish that one well in the South Culebra Bluff-

-2-

Case No. 6668  
Order No. R-6139-A

Bone Spring Pool can efficiently and economically drain and develop 80 acres.

(5) That the operators in the South Culebra Bluff-Bone Spring Pool should continue to conduct tests and gather data for the purpose of establishing the most efficient and economic spacing pattern for said pool.

(6) That such evidence should be submitted to the Director of the Oil Conservation Division on or before July 1, 1982.

(7) 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-6139 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 South Culebra Bluff-Bone Spring Pool, Eddy County, New Mexico, promulgated by Order No. R-6139, are hereby continued in full force and effect until further order of the Division.

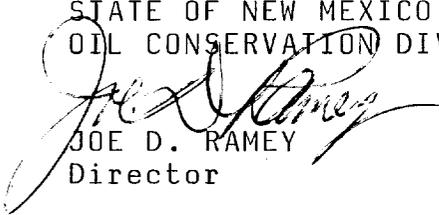
(2) That the operators in said pool shall continue to conduct tests and gather data to establish the most efficient and economic spacing pattern for the pool and submit such data to the Director of the Oil Conservation Division on or before July 1, 1982.

(3) That upon failure to submit such data or the submittal of insufficient or inconclusive data this matter shall again be set for hearing before the Division.

(4) 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

S E A L  
fd/