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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. 7459 Order No. R-6538-A

APPLICATION OF RED MOUNTAIN ASSOCIATES FOR THE AMENDMENT OF ORDER NO. R-6538, McKINLEY COUNTY, NEW MEXICO.

## ORDER OF THE DIVISION

## BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 17 and March 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>16th</u> day of July, 1982, 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 the applicant, Red Mountain Associates, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesaverde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68pound limitation on injection pressure.

(3) That the applicant failed to present any substantial evidence in this case upon which the proposed amendments to said Order No. R-6538 could be based.

(4) That the application should be denied.

-2-Case No. 7459 Order No. R-6538-A

IT IS THEREFORE ORDERED:

(1) That the application of Red Mountain Associates for amendment of Division Order No. R-6538 is hereby <u>denied</u>.

(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 OL CONSERVATION DOVISION They JOE D. RAMEY Director

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