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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. 7092 Order No. R-6542 NOMENCLATURE

APPLICATION OF DELTA DRILLING COMPANY FOR POOL EXTENSION, EDDY COUNTY, NEW MEXICO.

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 <u>14th</u> day of January, 1981, 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, Delta Drilling Company, seeks an extension to the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 2: All Section 11: All Sections 13 and 14: All Section 23: S/2 Section 24: N/2 N/2, S/2 NE/4, and S/2 S/2

(3) That the proposed expansion will permit the more efficient and economic development of the Bone Spring formation in the area and should be approved. -2-Case No. 7092 Order No. R-6542

IT IS THEREFORE ORDERED:

(1) That the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, is hereby extended to include therein:

> TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 2: All Section 11: All Sections 13 and 14: All Section 23: S/2 Section 24: N/2 N/2, S/2 NE/4 and S/2 S/2

(2) That, pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(3) That the effective date of this order and all extensions included herein shall be January 1, 1981.

(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

Umit JOE D. RAMEY Director

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