

Entered March 15, 1982
JMR

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. 7073
Order No. R-6558-A

IN THE MATTER OF CASE 7073 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
ORDER NO. R-6558, WHICH ORDER ESTABLISHED
SPECIAL RULES FOR THE SOUTH ELKINS-FUSSELMAN
POOL IN CHAVES COUNTY, NEW MEXICO, INCLUDING
A PROVISION FOR 80-ACRE SPACING UNITS AND
A LIMITING GAS-OIL RATIO OF 3000 TO ONE.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 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 by Order No. R-6558, dated January 14, 1981, temporary special rules and regulations were promulgated for the South Elkins-Fusselman Pool, Chaves County, New Mexico, establishing temporary 80-acre spacing units and a limiting gas-oil ratio of 3000 to one.

(3) That pursuant to the provisions of Order No. R-6558, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Elkins-Fusselman Pool should not be developed on 40-acre spacing units with a limiting gas-oil ratio of 2000 to one.

(4) That the evidence establishes that one well in the South Elkins-Fusselman Pool can efficiently and economically drain and develop 80 acres.

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(5) That the Special Rules and Regulations promulgated by Order No. R-6558 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.

(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-6558 should be continued in full force and effect until further order of the Division.

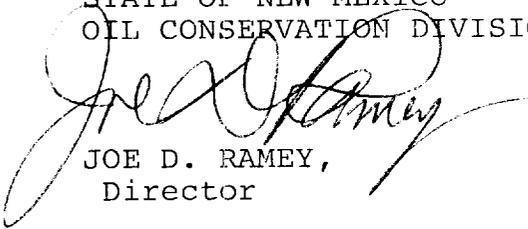
IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the South Elkins-Fusselman Pool, Chaves County, New Mexico, promulgated by Order No. R-6558, 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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