Entered October 21, 1983 MR

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. 7473 Order No. R-7211-A

IN THE MATTER OF CASE 7473 BEING REOPENED PURSUANT TO THE PROVISIONS OF ORDER NO. R-7211, WHICH ORDER ESTABLISHED SPECIAL RULES AND REGULATIONS FOR THE SOUTH HUMBLE CITY-STRAWN POOL, LEA 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 October 12, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>21st</u> day of October, 1983, 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-6913, dated March 5, 1982, temporary special rules and regulations were promulgated for the South Humble City-Strawn Pool, Lea County, New Mexico, establishing temporary 80-acre spacing units.

(3) That Order No. R-7211, dated February 21, 1982, extended said temporary special rules and regulations for a period of six months.

(4) That pursuant to the provisions of Order No. R-7211, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Humble City-Strawn Pool should not be developed on 40-acre spacing units.

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(5) That the evidence establishes that one well in the South Humble City-Strawn Pool can efficiently and economically drain and develop 80 acres.

(6) That the Special Rules and Regulations promulgated by Order No. R-6913 and extended by Order No. R-7211 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.

(7) That in order to prevent the economic loss caused by the drilling of unnnecessary 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-7211 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 Humble City-Strawn Pool, Lea County, New Mexico, promulgated by Order No. R-6913, 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 they JOE D. RÁMEY, Director

SEAL