STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

CASE NO. 8352 ORDER NO. R-7737-B

IN THE MATTER OF CASE 8352 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-7737-A, WHICH ESTABLISHED SPECIAL RULES AND REGULATIONS FOR THE WEST BRAVO DOME CARBON DIOXIDE GAS AREA IN HARDING COUNTY, INCLUDING A PROVISION FOR 640-ACRE SPACING UNITS

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 21, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of December, 1991 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-7737, dated November 19, 1984, the Division established temporary special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area (defined on Exhibit "B" of said Order No. R-7737), Harding County, New Mexico, including a provision for 640-acre spacing and proration units.

(3) Pursuant to the provisions of Order No. R-7737, this case was reopened on August 26, 1987 to allow operators in the subject area to appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

(4) By Division Order No. R-7737-A dated October 9, 1987, issued in said reopened case, the existing temporary special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area were continued for a period of two years commencing with the date of first production from the area or until October, 1991, whichever occurred first. (5) There has been no production of carbon dioxide from said area to date.

(6) The applicant in this matter, OXY USA, Inc., requests at this time that the current special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area located in Harding County, New Mexico, including the provision for 640-acre spacing units, be continued for a period of two years following the date of first production.

(7) No interested party within the subject area appeared at the hearing in opposition to the continuation of said temporary rules and regulations.

(8) OXY USA, Inc. should be required to notify the Division of the date of first production from the area.

IT IS THEREFORE ORDERED THAT:

(1) The temporary Special Rules and Regulations governing the West Bravo Dome Carbon Dioxide Gas Area, Harding County, New Mexico, are hereby continued in full force and effect until further order of the Division.

(2) This case shall be reopened at an examiner hearing two years from the date of first production from the subject area, at which time the operators in the subject area may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

(3) OXY USA, Inc. shall notify the Santa Fe Office of the Division of the date of first production from the subject area.

(4) 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 WILLIAM J. LEN Director

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