

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**REOPENED
CASE NO. 10804
Order No. R-10010-A**

**IN THE MATTER OF CASE NO. 10804 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NO. R-10010, WHICH
ORDER PROMULGATED TEMPORARY SPECIAL
RULES AND REGULATIONS FOR THE HAPPY
VALLEY-DELAWARE POOL IN EDDY COUNTY,
NEW MEXICO, INCLUDING PROVISIONS FOR
A LIMITING GAS-OIL RATIO OF 10,000
CUBIC FEET OF GAS PER BARREL OF OIL
AND A SPECIAL DEPTH BRACKET ALLOWABLE
OF 160 BARRELS PER DAY.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 2, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of March, 1995, 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-10010, issued in Case No. 10804 on November 4, 1993, the Division, upon application of Collins & Ware, Inc., promulgated Temporary Special Rules and Regulations for the Happy Valley-Delaware Pool, Eddy County, New Mexico, including provisions for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil and a special depth bracket allowable of 160 barrels per day.

(3) Pursuant to the provisions of Division Order No. R-10010, this case was reopened to allow the operators within the subject pool to appear and show cause why the Temporary Special Rules and Regulations for the Happy Valley-Delaware Pool should remain in effect.

(4) The Happy Valley-Delaware Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 28: SW/4

Section 33: N/2

(5) Louis Dreyfus Natural Gas Corporation (Louis Dreyfus), successor operator to Collins & Ware, Inc., appeared at the hearing through legal counsel.

(6) By letter submitted at the hearing, Louis Dreyfus stated that the Happy Valley-Delaware Pool can be effectively developed under statewide rules and regulations.

(7) Louis Dreyfus is currently the only operator in the subject pool.

(8) No other offset operator and/or interest owner appeared at the hearing.

(9) There is no evidence at the current time to support the continuation of the Special Rules and Regulations for the Happy Valley-Delaware Pool.

(10) The Temporary Special Rules and Regulations for the Happy Valley-Delaware Pool should be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Happy Valley-Delaware Pool, as promulgated by Division Order No. R-10010, are hereby rescinded.

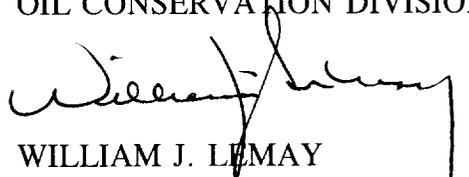
(2) The Happy Valley-Delaware Pool shall hereafter be governed by Division Statewide Rules and Regulations including a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil and an oil allowable of 80 barrels per day.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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