

Entered February 3, 1976
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5117
Order No. R-4691-A

IN THE MATTER OF CASE 5117 BEING REOPENED
PURSUANT TO THE PROVISIONS OF ORDER NO. R-4691,
WHICH ORDER ESTABLISHED TEMPORARY SPECIAL POOL
RULES FOR THE NORTH DAGGER DRAW-UPPER PENNSYLVANIAN
POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 20, 1976,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of February, 1976, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That by Order No. R-4691, dated December 11, 1973,
temporary special rules and regulations were promulgated for the
North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New
Mexico, establishing temporary 320-acre spacing units and
proration units, and a special depth bracket allowable of 427
barrels of oil per day.

(3) That pursuant to the provisions of Order No. R-4691,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the North Dagger Draw-Upper Pennsyl-
vanian Pool should not be developed on 160-acre spacing units
and why the special depth bracket allowable should remain in
effect.

(4) That the evidence establishes that one well in the
North Dagger Draw-Upper Pennsylvanian Pool can efficiently and
economically drain and develop 160 acres and that the depth
bracket allowable should be commensurate therewith, or 267
barrels of oil per day.



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(5) That the Special Rules and Regulations promulgated by Order No. R-4691, if amended to provide for 160-acre well spacing and proration units, and to provide a depth bracket allowable of 267 barrels of oil per day, will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(6) That this case should be reopened at an examiner hearing in February, 1977, at which time the operators in the subject pool should appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the depth bracket allowable should not be reduced.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Dagger Draw-Upper Pennsylvanian Pool, promulgated by Order No. R-4691, shall remain in full force and effect for an additional period of one year provided, however, that said rules are hereby amended to provide for 160-acre spacing and proration units and to provide a depth bracket allowable of 267 barrels of oil per day.

(2) That this case shall be reopened at an examiner hearing in February, 1977, at which time the operators in the subject pool shall appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre proration units and why the depth bracket allowable should not be reduced.

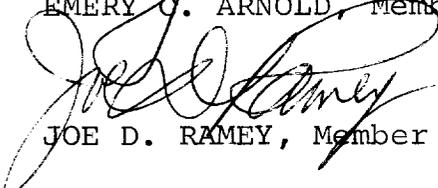
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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