

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. 8014 (Reopened)
Order No. R-7588-A

IN THE MATTER OF CASE NO. 8014
BEING REOPENED PURSUANT TO THE
PROVISIONS OF ORDER NO. R-7588,
WHICH ORDER CREATED THE CEDAR
HILL-FRUITLAND BASAL COAL POOL
IN SAN JUAN COUNTY, NEW MEXICO,
WITH TEMPORARY SPECIAL RULES AND
REGULATIONS INCLUDING A PROVISION
FOR 320-ACRE SPACING UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 19, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of March, 1986, 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-7588, dated July 9, 1984, temporary special rules were promulgated for the Cedar Hill-Fruitland Basal Coal Pool, San Juan County, New Mexico, establishing temporary 320-acre spacing units.

(3) Pursuant to the provisions of Order No. R-7588, this case was reopened to allow the operators in the subject pool to appear and show cause why the subject pool should not be developed on 160-acre spacing units.

-2-

Case No. 8014 (Reopened)
Order No. R-7588-A

(4) The evidence establishes that one well in the Cedar Hill-Fruitland Basal Coal Pool can efficiently and economically drain and develop 320 acres.

(5) The Special Rules promulgated by Order No. R-7588 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) 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 promulgated by Division Order No. R-7588 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The Special Rules governing the Cedar Hill-Fruitland Basal Coal Pool, San Juan County, New Mexico, promulgated by Division Order No. R-7588, dated July 9, 1984, are hereby continued in full force and effect until further order of the Division.

(2) 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


R. L. STAMETS
Director

S E A L

fd/