

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

IN THE MATTER OF CASE 8949 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF DIVISION ORDER NO. R-8279, WHICH
ORDER, IN PART, PROMULGATED TEMPORARY
SPECIAL RULES AND REGULATIONS FOR THE
SOUTH SHOE BAR-DEVONIAN POOL IN LEA
COUNTY, NEW MEXICO

CASE NO. 8949 (REOPENED)
ORDER NO. R-8279-A

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 30, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 10th day of January, 1989, 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) Division Order No. R-8279, issued in Case No. 8949 and dated August 14, 1986, in part, created, defined and promulgated temporary special rules and regulations for the South Shoe Bar-Devonian Pool, Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well locations.

(3) Pursuant to the provisions of said Order No. R-8279 this case was reopened to allow the operators in the subject pool to appear and show cause why the South Shoe Bar-Devonian Pool should not be developed on 40-acre spacing units.

(4) Mobil Producing Texas and New Mexico, Inc., operator of the wells in the pool and the applicant in original Case 8949, appeared at the hearing and presented evidence and testimony in support of the continuation of the special rules and regulations for the subject pool.

(5) The evidence presented established that one well in the subject pool can efficiently and economically drain and develop 80 acres.

(6) The special rules and regulations promulgated by Order No. R-8279 have afforded and will afford the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

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(7) In order to prevent the economic loss caused by the drilling of an excessive number of 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, Order No. R-8279 should be continued in full force and effect until further order of the Division.

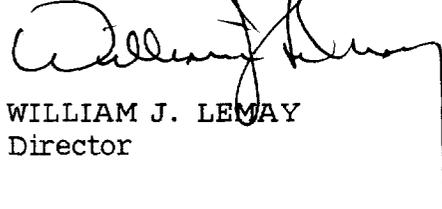
IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations governing the South Shoe Bar-Devonian Pool, Lea County, New Mexico, promulgated by Division Order No. R-8279, 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



WILLIAM J. LEMAY
Director

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