

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO UPON ITS
OWN MOTION FOR THE PURPOSE OF RECON-
SIDERING:

CASE NO. 149
ORDER NO. R-100

ORDER NO. 779 OF THE OIL CONSERVATION
COMMISSION OF NEW MEXICO ENTERED IN
CASE NO. 149 ON JULY 27, 1948, ESTABLISH-
ING 80-ACRE SPACING AND PRORATION UNITS
FOR THE CROSSROADS (DEVONIAN) POOL BELOW
12, 000 FEET, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on July 15, 1948, and for further hearings on November 21, 1950 and March 21, 1951, in Santa F, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 15th day of October, 1951, the Commission, a quorum being present, having fully considered the testimony adduced at said hearings, the record made in this case, and the exhibits received, 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, the persons and subject matter thereof.

(2) That the Commission, after due notice and hearing, entered its Order No. 779 on July 27, 1948, whereby 80 - acre spacing and drilling units were established for the production of oil and gas from the Devonian formation below 12, 000 feet, underlying the Crossroads Devonian pool, as is more fully described and defined in said Order No. 779, and set the daily oil allowable of a normal unit for said Crossroads Devonian pool, as an exception to the general 40 - acre spacing pattern and drilling unit as theretofore established and promulgated by the Rules and Regulations of this Commission.

(3) That by section 8 of Order No. 779, the Commission retained jurisdiction of this case for the purpose of issuing such further and additional orders as may be necessary to meet changed conditions, preclude inequities, and preserve correlative rights.

(4) That pursuant to its retained jurisdiction, the Commission, after due notice as required by law, held hearings on November 21, 1950, and March 21, 1951, for the purpose of taking additional testimony and receiving further evidence in this cause.

(5) That there was substantial evidence, though controverted to some extent, that waste and impairment of correlative rights will result if 80 - acre spacing as provided for in Order No. 779 is continued in effect.

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(6) That there was no showing that pressure maintenance or other secondary recovery methods were under consideration by operators in the pool as a matter of preventing waste and protecting correlative rights

IT IS THEREFORE ORDERED:

1. That Order No. 779 in this Case No. 149, dated July 27, 1948, be, and the same hereby is rescinded.

2. Nothing contained herein shall be construed to be a determination by the Commission as to what constitutes "reasonable development" of any lease in the pool in relation to the implied covenants of any such lease.

3. Nothing contained herein shall be construed to require the drilling of one well on each 40-acre tract in the pool.

4. The effective date of this order shall be November 1, 1951.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ EDWIN L. MECHEM, Chairman

/s/ GUY SHEPARD, Member

SEAL

/s/ R. R. SPURRIER, Secretary