

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, 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 320 acre spacing for the pool and a special depth bracket allowable of 427 barrels of oil per day.

(3) That by Order No. R-4691-A dated February 3, 1976, the spacing was changed from 320 to 160 acres and the special depth bracket allowable from 427 barrels per day to 267 barrels per day.

(4) That Order No. R-4691-B dated October 12, 1976, left the spacing unchanged at 160 acres but changed the special depth bracket allowable from 267 barrels per day to 350 barrels of oil per day.

(5) That pursuant to the provisions of Order No. R-4691-A this case was reopened to allow the operators in the subject pool to appear and show cause why the North Dagger Draw-Upper Pennsylvanian Pool should not be developed on less than 160-acre spacing units.

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(6) 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 Special Depth Bracket Allowable of 350 barrels of oil per day should be retained.

(7) That the Special Rules and Regulations promulgated by Order No. R-4691, as amended by Orders Nos. R-4691-A and R-4691-B, 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 oil and gas in the pool, will protect correlative rights, and will not cause waste.

(8) That 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 and Regulations promulgated by Order No. R-4691, as amended, should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the special rules and regulations for the North Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-4691, as amended by Orders Nos. R-4691-A and R-4691-B, are hereby continued in full force and effect until further order of the Commission.

(2) 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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