

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. 8520
Order No. R-638-E

APPLICATION OF ARCO OIL AND
GAS COMPANY FOR AMENDMENT OF
SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on March 13, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 13th day of May, 1985, 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-638-B, entered July 14, 1955, provided for the drilling of wells in the South Knowles-Devonian Pool, Lea County, New Mexico, on 80-acre proration units consisting of the E/2 or W/2 of each governmental quarter section.

(3) The special rules for the South Knowles-Devonian Pool were made permanent by Division Order No. R-638-C entered September 13, 1956.

(4) The applicant, ARCO Oil and Gas Company, as owner and operator of certain wells in said South Knowles-Devonian Pool, seeks the amendment of the special rules to delete the requirement that proration units consist of either the E/2 or W/2 of each governmental quarter section.

(5) No party appeared and objected to the proposed amendment.

(6) The evidence presented indicates that deletion of the E/2 or W/2 governmental quarter section requirement from said special rules will enable the applicant to more efficiently explore and develop the southern extension of the South Knowles-Devonian Pool.

(7) The proposed amendment will not affect the acreage position of the working interest owners in the South Knowles-Devonian Pool.

(8) Approval of the proposed amendment will prevent waste and will not violate correlative rights within the South Knowles-Devonian Pool area.

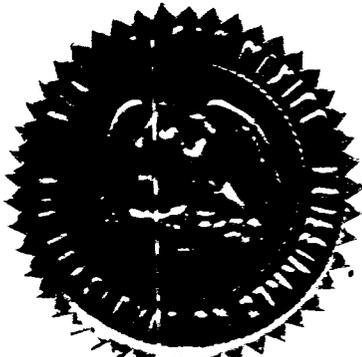
IT IS THEREFORE ORDERED THAT:

(1) Order No. (1) of Division Order No. R-638-C is hereby amended to read in its entirety as follows:

"(1) That 80-acre proration units are hereby established for the South Knowles-Devonian Pool, said proration units to consist of the N/2, S/2, E/2 or W/2 of a governmental quarter section."

(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.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets", is written over the typed name.

R. L. STAMETS
Director