

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. 8305
Order No. R-7660-A

IN THE MATTER OF CASE 8305 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-7660, WHICH ORDER
ESTABLISHED SPECIAL RULES AND
REGULATIONS FOR THE NORTH CHAVEROO-
PERMO PENNSYLVANIAN POOL, ROOSEVELT
COUNTY, NEW MEXICO, INCLUDING A
PROVISION FOR 160-ACRE PRORATION
UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of September, 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-7660, dated August 31, 1984, temporary special pool rules were promulgated for the North Chaveroo-Permo Pennsylvanian Pool, Roosevelt County, New Mexico, establishing temporary 160-acre spacing and proration units.

(3) Pursuant to the provisions of Order No. R-7660, this case was reopened to allow the operators in the subject pool to appear and show cause why the North Chaveroo-Permo Pennsylvanian Pool should not be developed on 40-acre spacing units.

(4) Yates Petroleum Corporation, the only operator in the pool, appeared at the hearing and presented evidence in this case.

(5) The evidence establishes that one well in the North Chaveroo-Permo Pennsylvanian Pool can efficiently and economically drain and develop 160 acres.

(6) The Special Rules and Regulations promulgated by Order No. R-7660 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 in the pool.

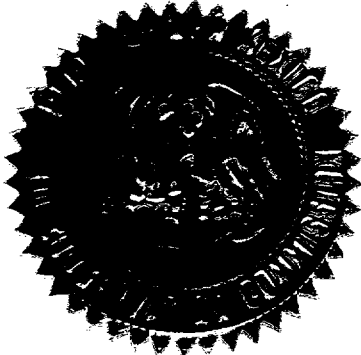
(7) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-7660 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 North Chaveroo-Permo Pennsylvanian Pool, Roosevelt County, New Mexico, promulgated by Order No. R-7660, 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

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

R. L. STAMETS
Director

S E A L
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