

(25) The special pool rules for the Pecos Slope-Pennsylvanian Pool should remain in effect for a temporary period of one year.

(26) This case should be reopened at an examiner hearing in February, 2003, at which time the operators in the Pecos Slope-Pennsylvanian Pool should appear to show cause why the temporary special pool rules established by this order should not be rescinded, and the pool developed on standard 40-acre spacing.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Yates Petroleum Corporation, a new pool for the production of oil from the Pennsylvanian formation should be created and designated the Pecos Slope-Pennsylvanian Pool with vertical limits comprising the Pennsylvanian formation and horizontal limits comprising the W/2 of Section 26, Township 6 South, Range 25 East, NMPM, Chaves County, New Mexico.

(2) The Artesia District Office of the Division shall be directed to contract the horizontal limits of the Cottonwood Ranch-Pennsylvanian Gas Pool by deleting the W/2 and SE/4 of Section 26, Township 6 South, Range 25 East, NMPM, Chaves County, New Mexico.

(3) Temporary special pool rules for the Pecos Slope-Pennsylvanian Pool are hereby established as follows:

TEMPORARY SPECIAL POOL RULES
FOR THE
PECOS SLOPE-PENNSYLVANIAN POOL

RULE 1. Each well completed in or recompleted in the Pecos Slope-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and produced in accordance with the special rules hereinafter set forth.

RULE 2. Each well completed or recompleted in the Pecos Slope-Pennsylvanian Pool shall be located on a unit containing 320 acres, more or less, which consists of two contiguous governmental quarter sections.

RULE 3. The Director may grant an exception to the requirements of Rule 2 in accordance with the procedure set forth by Division Rule No. 104.D.(2).