STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Nomenclature Case No. 11872 (Reopened) ORDER NO. R-10918-A

IN THE MATTER OF CASE NO. 11872 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-10918, WHICH SET FORTH TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE NORTHWEST SKAGGS-DRINKARD POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 19, 1998, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 9th day of December, 1998 the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) By Order No. R-10918 dated November 20, 1997, the Division, upon application of Me-Tex Oil & Gas Inc., created the Northwest Skaggs-Drinkard Pool, which currently comprises the E/2 NE/4 of Section 3, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Order No. R-10918 also set forth Temporary Special Rules and Regulations for the Northwest Skaggs-Drinkard Pool, including provisions for a limiting gasoil ratio of 20,000 cubic feet of gas per barrel of oil.
- (3) Pursuant to the provisions of Order No. R-10918, this case was reopened to allow the operators in the Northwest Skaggs-Drinkard Pool to appear and show cause why the temporary special rules and regulations should remain in effect.
- (4) No operator, interested party, or mineral interest owner in the subject pool appeared at the time of the hearing to present evidence to support a limiting gas-oil ratio of 20,000 cubic feet of gas per barrel of oil or to defend the continuation of the special pool rules.

(5) In the absence of supporting testimony, the Temporary Special Rules and Regulations for the Northwest Skaggs-Drinkard Pool should therefore be <u>rescinded</u> and the pool should be governed by Division Rule No. 506.A.

IT IS THEREFORE ORDERED THAT:

- (1) The Temporary Special Rules and Regulations for the Northwest Skaggs-Drinkard Pool, as set forth in Division Order No. R-10918 dated November 20, 1997, are hereby <u>rescinded</u>.
- (2) Any future or existing oil wells within the Northwest Skaggs-Drinkard Pool shall have a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil in accordance with Division Rule No. 506.A.

IT IS FURTHER ORDERED THAT:

- (3) The operator of any well in the Northwest Skaggs-Drinkard Pool shall file new Forms C-116 with the Division within 60 days from the date of this order. In accordance with Division Rule No. 301, an annual gas-oil ratio test of each producing oil well is required. Failure to file new Forms C-116 with the Division shall subject any existing oil wells within the Northwest Skaggs-Drinkard Pool to cancellation of allowable.
- (4) 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

LORIWROTENBERY

Director

