

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

*(Reopened) CASE NO. 11169
ORDER NO. R-10327-A*

IN THE MATTER OF CASE 11169 BEING REOPENED PURSUANT TO THE PROVISIONS OF DIVISION ORDER NO. R-10327, WHICH ORDER IN PART PROMULGATED SPECIAL RULES AND REGULATIONS FOR THE NORTH HARDY TUBB-DRINKARD POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 8, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of March, 1996 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-10327 entered in Case No. 11169 on March 8, 1995, the New Mexico Oil Conservation Division, upon application of Conoco, Inc.:
 - (a) created and defined the North Hardy Tubb-Drinkard Pool for the production of oil from the Drinkard and Tubb formations with horizontal limits comprising the SW/4 NE/4, S/2 NW/4, N/2 SW/4, and NW/4 SE/4 of Section 36, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico;
 - (b) promulgated temporary special rules and regulations therefor including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil; and,
 - (c) assigned to the applicant's Hardy "36" State Well No. 3 (API No. 30-025-32479), located 2080 feet from the North line and 1730 feet from the East line (Unit G) of said

Section 36 a discovery allowable pursuant to Division General Rule 509 to be made effective retroactive to August 19, 1994.

(3) Pursuant to the provisions of said Order No. R-10327, this case was reopened to allow the operators in the subject pool to appear and present evidence and testimony as to whether the limiting gas-oil ratio for the North Hardy Tubb-Drinkard Pool should remain at 10,000 to one or revert back to the statewide gas-oil ratio limitation of 2,000 to one.

(4) Conoco, Inc., the original applicant in this matter and the only operator in the subject pool, appeared and presented evidence and testimony in support of the continuation of the current gas-oil ratio limitation of 10,000 to one on a permanent basis.

(5) As of March 11, 1996 the North Hardy Tubb-Drinkard Pool comprises the following described area in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 36: NE/4, S/2 NW/4, N/2 SW/4, and NW/4 SE/4.

(6) There are six wells currently completed in the North Hardy Tubb-Drinkard Pool.

(7) The evidence and testimony presented by Conoco, Inc. in this matter indicates that continued production at a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil will not result in the decreased ultimate oil recovery from the reservoir, will allow the operator(s) the opportunity to produce their just and equitable share of the oil and gas in the subject pool, will not result in waste, and will not violate correlative rights.

(8) No interested parties appeared at the hearing in opposition to the continuation of the current 10,000 to one GOR limit.

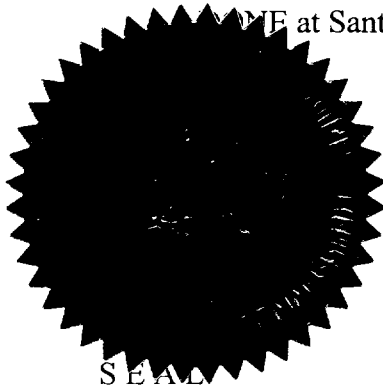
(9) The provisions of said Order No. R-10327 should remain in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the North Hardy Tubb-Drinkard Pool in Section 36, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including the provision for a limiting gas-oil ratio of 10,000 cubic feet of

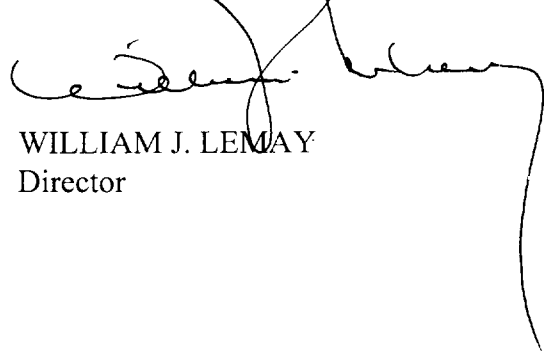
gas per barrel of oil, as promulgated by Division Order No. R-10327, dated March 8, 1995, is hereby continued in full force and effect until further order of the Division.

(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



WILLIAM J. LEMAY
Director