BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF COLLINS & WARE, INC. FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

CASE NO. //'198

APPLICATION

COLLINS & WARE, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order promulgating special pool rules and regulations for the East Warren-Tubb Pool, including a special limiting gas-oil ratio of 6000 cubic feet of gas for each barrel of oil produced, and in support of this application states:

1. The East Warren-Tubb Pool (formerly the East Warren-Tubb Gas Pool) was established by Division Order No. R-9467, dated March 1, 1991, and has been extended from time to time to include the following acreage in Lea County, New Mexico:

Township 20 South, Range 38 East, N.M.P.M.

Section 23: E/2, SW/4 Section 24: SW/4 Section 25: W/2, NE/4 Section 36: NW/4

2. Certain wells in the East Warren-Tubb Pool are operated by Collins & Ware, Inc. under statewide rules with a depth bracket allowable of 142 barrels per day and a gas allowable rate of 284 mcf per day at a 2000 to 1 gas-oil ratio. 3. Certain wells in this pool can produce at rates in excess of the authorized rates and continuing to produce wells at the current authorized rates will result in oil ultimately being left in the ground thereby causing waste..

4. Collins & Ware Inc. seeks the establishment of a special gas-oil ratio for the pool of 6,000 cubic feet of gas per barrel of oil produced.

5. Approval of this application will result in the production of hydrocarbons which otherwise will not be produced and will be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Collins & Ware, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 12, 1997, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By: Va

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