



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

BRUCE KING  
GOVERNOR

January 14, 1992

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

RECEIVED  
JAN 16 1992  
CAMPBELL & BLACK

Hal J. Rasmussen Operating Inc.  
c/o William F. Carr  
P.O. Box 2208  
Santa Fe, New Mexico 87504

RE: Case 10434 Application for Pool Reclassification and Special Pool Rules

Gentlemen:

District I of the OCD supports your request for special pool rules for the Wilson Yates-Seven Rivers Pool.

Because of new production found in the field, operation under the rules which are now in place (no GOR limit) the OCD could not have addressed correlative rights. Since as the attached letter from District Geologist, Paul Kautz, states the oil/gas contact cannot be determined and an associated field seems to be a logical way to set up the pool rules.

The Jalmat and Eumont pool rules allow for an oil well to have high GOR (10,000/1) and a reclassification point of 100,000 GOR. These pools have recently been assigned a minimum gas allowable of 600 MCFPD per 160 acres. The operators have been able to develop these fields on this restriction and the OCD is able to protect correlative rights.

As I understand it, the proposed rules for the Wilson Yates-SR Pool are somewhat based on the above rules and should be workable for the industry and the OCD.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

JS/ed

Encl.

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>RASMUSSEN</u>	EXHIBIT NO. <u>6</u>
CASE NO.	<u>10434</u>





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MEMORANDUM

MEMO TO: Jerry Sexton  
FROM: Paul Kautz *PK*  
SUBJECT: Case 10434 Application for Pool Reclassification  
and Special Pool Rules  
DATE: January 14, 1992

In Case 10434, Hal J. Rasmussen Operating Inc. is seeking the reclassification of the Wilson Yates-Seven Rivers Pool to an associated pool. The special pool rules provide for 160 acre gas and 40 acre oil proration units, and a GOR limit of 10,000. Under Division Order R-5353, gas wells would be any well with a GOR greater than 30,000.

Rasmussen has recently done some recompletion work in this pool. These wells tend to have a high GOR. It is impossible to determine an oil/gas contact in the Wilson pool. Order R-199 exempted the Wilson pool from the GOR limit. By not having special rules to take into consideration the wells with a high GOR and wells which would be classified as gas the State is not protecting the correlative rights of Mineral and Operator Owners.

Therefore, I recommend that we support the application of Hal J. Rasmussen Operating Inc.

