

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8683
Order No. R-8089

APPLICATION OF H. L. BROWN, JR.
FOR SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 28, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of December, 1985, 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) The applicant, H. L. Brown, Jr., seeks the promulgation of special rules for the Feather-Morrow Oil Pool, Lea County, New Mexico, including a special gas-oil ratio (GOR) limitation of 10,000 cubic feet of gas per barrel of oil.

(3) The applicant also requests that said special rules be made retroactive to the date of the creation of the Feather-Morrow Oil Pool.

(4) The Feather-Morrow Pool was established by Division Order No. R-6923 and made effective April 1, 1982, with the horizontal limits being extended by Division Orders Nos. R-7554 and R-7763.

(5) There are three wells presently completed and producing from the Feather-Morrow Pool, all of which have gas/oil ratio in excess of 2,000 cubic feet of gas per barrel of liquid hydrocarbons (the limiting gas oil ratio set out in Rule 506 of the Division's General Rules and Regulations).

(6) Annual production data from the pool since its inception shows the gas/oil ratio in this pool to be steadily increasing, presently standing at 8680 cubic feet of gas per barrel of liquid hydrocarbons.

(7) A reservoir fluid study performed on a fluid sample from this pool indicates that said Feather-Morrow Pool is a retrograde gas condensate or dew point reservoir.

(8) Adoption of a limiting gas/oil ratio of 10,000 cubic feet of gas per barrel of oil for said pool will permit the wells therein to be more efficiently produced and the promulgation of such a rule for the Feather-Morrow Pool should therefore be established.

(9) No other operator within the subject pool appeared or objected to the promulgation of special rules for said Feather-Morrow Pool.

(10) The applicant presented insufficient evidence to support its request to set the effective date of any Special Rules and Regulations promulgated by this order retroactive to the date of the creation of said pool; therefore, this particular request should be denied.

(11) The application should, however, be made effective retroactive to September 1, 1985, which is the beginning date of the first casinghead gas proration period following the hearing.

IT IS THEREFORE ORDERED THAT:

(1) Special Rules and Regulations for the Feather-Morrow Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
FEATHER-MORROW POOL

RULE 1. The limiting gas-oil ratio for the Feather-Morrow Pool shall be 10,000 cubic feet of gas for each barrel of oil produced.

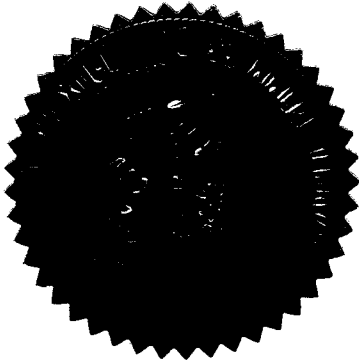
(2) The above-described Special Rules and Regulations for the Feather-Morrow Pool shall be made effective to September 1, 1985.

(3) The request by the applicant, H. L. Brown, Jr., to make the effective date of the Special Rules and Regulations,

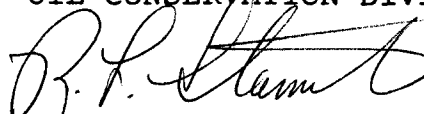
as described above, retroactive to the date of the creation of said pool is hereby denied.

(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


R. L. STAMETS,
Director