## STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION COMMISSION

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

CASE NO. 8946 Order No. R-7407-D

APPLICATION OF JEROME P. McHUGH AND ASSOCIATES FOR AN AMENDMENT TO THE SPECIAL RULES AND REGULATIONS OF THE GAVILAN-MANCOS OIL POOL.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing on August 7, 8, 21, 22, and 27, 1986 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>llth</u> day of September, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearings and being fully advised in the premises,

#### FINDS THAT:

- (1) The applicant has made a good-faith diligent effort to find and notify all operators of wells and each appropriate interested party as required by Division Order No. R-8054.
- (2) Due public notice has been given as required by law and the Commission has jurisdiction of this case, the parties, and the subject matter thereof.
- (3) The applicant, Jerome P. McHugh and Associates, seeks an order amending the temporary Special Rules and Regulations of the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407 to establish for a period of not less than ninety days a temporary special production allowable limitation of 200 barrels of oil per day for a standard 320-acre spacing and proration unit and a special temporary gas-oil ratio limitation factor of 1,000 cubic feet of gas per barrel of oil produced.
- (4) In Companion Case No. 8950, Benson-Montin-Greer Drilling Corporation seeks an order amending the Special Rules and Regulations of the West Puerto Chiquito-Mancos Oil Pool

promulgated by Division Order No. R-3401 to establish a temporary special production allowable limitation of 400 barrels of oil per day for a standard 640-acre spacing and proration unit and a special temporary gas-oil ratio limitation factor (GOR) of 1,000 cubic feet of gas per barrel of oil produced.

- (5) Case No. 8950 and Case No. 8946 have been consolidated for purposes of hearing.
- (6) Benson-Montin-Greer Drilling Corporation, Dugan Production Corporation and Meridian Oil Company appeared in support of McHugh's application.
- (7) The proponents in this case presented testimony and evidence to show that:
  - (a) The Gavilan Mancos Oil Pool is a highly fractured reservoir which produces primarily by solution gas drive but has potential for significant additional oil recovery by gravity drainage and reducing the dissipation of natural reservoir energy by wells with relatively high gas-oil ratios;
  - (b) Based upon measurements of reservoir pressure and interference testing, excellent communication exists between wells and throughout the reservoir;
  - (c) Based upon bottom hole pressure measurements, the reservoir pressure is declining at rates that provide little time to prepare and develop a plan for improving the future operation and development of the reservoir;
  - (d) Based upon bottom hole pressure measurements, the daily producing oil rate should be reduced immediately to 200 barrels and the limiting gas-oil ratio should be reduced to 1,000 to slow reservoir depletion rates, allow time to evaluate the reservoir and formulate a plan for future operations and development that will result in increased recoveries of oil and gas; and
  - (e) Gravity drainage will be a factor in improving ultimate recovery in the Gavilan Mancos Oil Pool.

- (8) Mobil Producing Texas and New Mexico Inc. appeared in opposition to McHugh's application and presented evidence to show that the Gavilan-Mancos Pool is a typical solution gas drive reservoir with significant potential for oil recovery from matrix porosity and that, because such a reservoir is not rate sensitive, to continue to produce the wells at the current allowable of 702 barrels per day and 2,000 GOR would not result in the reduction of the ultimate recovery of oil and gas therefrom.
- (9) Mallon Oil Company, Mesa Grande Resources Inc. and Koch Exploration appeared and presented evidence to show that the Gavilan-Mancos Oil Pool is an individual well gas cap drive reservoir and that the limiting GOR should be reduced to the solution gas oil ratio in order to most effectively produce the reservoir but opposed the reduction in the maximum daily oil allowable, discounting the potential for significant gravity drainage.
- (10) Prior to the application in this case, the operators in the Gavilan-Mancos Oil Pool formed a working interest owners committee, including geologic and engineering technical subcommittees, in order to discuss and address the issue of the most effective and efficient methods to develop and produce the pool.
- (11) The applicant presented testimony that despite numerous meetings, the working interest owners have not yet agreed to any method of operations within said pool other than that provided in its special rules and that an emergency exists requiring the Commission to act immediately to reduce the rate of reservoir voidage in the Gavilan-Mancos Oil Pool to prevent waste and preserve reservoir energy until the working interest owners can reach such an agreement or until the Commission finally determines how best the pool might be developed and produced.
- (12) The evidence presented at the hearing established that:
  - (a) the Gavilan Mancos Oil Pool primarily produces from a fractured shale with little or no matrix contribution;
  - (b) the Gavilan Mancos Pool is primarily a solution gas drive reservoir with potential for substantial additional ultimate oil recovery by gravity drainage;

- (c) significant pressure depletion is occurring in wells and areas of the reservoir that have produced very little oil or gas;
- (d) pressure interference tests have been conducted in representative areas of the pool, all of which demonstrate almost instantaneous interference over large distances;
- (e) the solution GOR is between 480 and 646 cubic feet of gas per barrel of oil and most likely approximates 600 cubic feet of gas per barrel;
- (f) wells in some areas of the Pool are producing at GOR rates in excess of the solution gas-oil ratio;
- (g) free gas is being liberated reservoir-wide irrespective of structural position;
- (h) reduction of the limiting GOR in the Gavilan-Mancos Oil Pool to near the solution GOR will prevent the inefficient dissipation of reservoir energy and will permit the owners in the pool to utilize their share of reservoir energy;
- (i) the current 702 barrel per day oil maximum allowable is based upon an extension of Oil Conservation Division (Division) Rule 505 to wells in the Gavilan-Mancos Oil Pool depth range with 320-acre dedication;
- (j) such depth bracket allowable could be appropriate for a normal pool with substantial matrix contribution to production but bears no rational relationship to the most efficient rate at which to produce the subject pool;
- (k) the proposed 200 barrel per day maximum allowable, if imposed, would appear to result in production from the various tracts in the pool generally in closer proportion to the reserves thereunder than the current 702 barrel maximum allowable;
- (1) imposition of such a maximum allowable, at this time, would unfairly penalize the operators of newer generally higher capacity wells as opposed to those operators of older generally declining capacity wells which previously enjoyed high rates of reservoir drainage;

- (m) adoption of a temporary 400 barrel of oil per day maximum allowable rather than the 200 barrel limit proposed will, at this time, better permit the operators of the newer high capacity wells to recover their share of the oil in the Gavilan-Mancos Oil Pool; and
- (n) a reduction in both the daily oil production rate and the limiting GOR will reduce the rate of reservoir voidage and pressure depletion and afford an improved opportunity for gravity drainage, thereby preventing waste, and permit operators additional time to determine the most effective and efficient method to further develop and produce the Pool.
- (13) The adoption of a 600 cubic feet of gas per barrel of oil limiting GOR and reduction of the oil depth bracket allowable to 400 barrels per day in the Gavilan-Mancos Oil Pool on a temporary basis, at this time, is necessary to prevent waste.
- (14) The adoption of such limiting GOR and depth bracket allowable will, at this time, more nearly permit each operator to use his share of the reservoir energy and more nearly recover the oil underlying the individual tracts in the pool than the existing limiting GOR and depth bracket allowable and will, therefore, better protect correlative rights.
- (15) Such limiting GOR and depth bracket allowable should be adopted effective September 1, 1986, and should be continued until further order of the Commission.
- (16) The issues raised in this case should be reconsidered when temporary special pool rules for the Gavilan-Mancos Oil Pool established by Order No. R-7407 are brought up for reconsideration in March, 1987, or upon the recommendation of the pool study committee.

### IT IS THEREFORE ORDERED THAT:

- (1) The terms and conditions of this order shall apply to all wells completed in the Gavilan-Mancos Oil Pool or wells completed in the Mancos formation within one mile thereof effective September 1, 1986 and shall remain in effect until further order of the Commission.
- (2) The limiting gas oil ratio in the Gavilan-Mancos Oil Pool, as heretofore defined and described, Rio Arriba County, New Mexico, shall be 600 cubic feet of gas for each barrel of liquid hydrocarbons produced and that the depth bracket allowable therefor shall be 400 barrels of oil per day.

-6-Case No. 8946 Order No. R-7407-D

- (3) Both applicants and opponents shall be permitted representatives on the Gavilan Pool Technical Study Committee and this Study Committee shall submit a status report to the Commission on or before November 15, 1986.
- (4) Unless reopened by the Commission based upon the report of the Study Committee, this case shall be reopened at a Commission hearing in March, 1987, to be consolidated with the reconsideration of the Temporary Special Rules established by Order No. R-7407 for the Gavilan-Mancos Oil Pool.
- (5) Jurisdiction of this cause is retained for entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member

ED KELLEY Member

R. L. STAMETS, Chairman and Secretary

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# STATE OF NEW MEXICO SENERGY AND MINERALS DEPARTMENT OIL CONSERVATION COMMISSION

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

CASES NOS. 7980, 8946, 9113, AND 9114 ORDER NO. 8950

CASE NO. 8950 ORDER NO. R-6469-D

CASE NO. 7980

IN THE MATTER OF CASE 7980 BEING REOPENED PURSURANT TO THE PRO-VISIONS OF COMMISSION ORDER NO. R-7407, WHICH ORDER PROMULGATED TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE GAVILAN - MANCOS OIL POOL IN RIO ARRIBA COUNTY, INCLUDING A PROVISION FOR 320-ACRE SPACING UNITS.

CASE NO. 8946

IN THE MATTER OF CASE 8946 BEING REOPENED PURSUANT TO THE PROVISIONS OF COMMISSION ORDER NO. R-7407-D, WHICH ORDER PROMULGATED A TEMPORARY LIMITING GAS-OIL-RATIO AND DEPTH BRACKET ALLOWABLE FOR THE GAVILAN-MANCOS OIL POOL IN RIO ARRIPA COUNTY.

CASE NO. 9113

APPLICATION OF BENSON-MONTIN-GREER DRILLING CORPORATION, JEROME P. McHUGH & ASSOCIATES, AND SUN EXPLORATION AND PRODUCTION COMPANY TO ABOLISH THE GAVILAN-MANCOS OIL POOL, TO EXTEND THE WEST PUERTO CHIQUITO-MANCOS OIL POOL, AND TO AMEND THE SPECIAL RULES AND REGULATIONS FOR THE WEST PUERCO CHIQUITO-MANCOS OIL POOL, RIO APRIBA COUNTY. NEW MEXICO.

CASE NO. 8950

IN THE MATTER OF CASE 8950 BEING REOPENED PURSUANT TO THE PROVISTONS OF COMPISSION ORDERS NOS. R-6469-C AND R-3401-A, AS AMENDED, WHICH ORDER PROMULGATED A TEMPORARY ALLOWABLE AND LIMITING GAS-OIL RATIO FOR THE WEST PUERTO CHIQUITO-MANCOS OIL POOL IN RIO ARRIBA COUNTY.

CASE NO. 9114

APPLICATION OF MESA GRANDE RESOURCES, INC. FOR THE EXTENSION OF THE GAVILAN-MANCOS OIL POOL AND THE CONTRACTION OF THE WAST PUERTO CHIQUITO-MANCOS OIL POOL, RIO ARRIBA COUNTY, NEW MEXICO.

## APPLICATION FOR REHEARING

Comes now Mrs. Don Howard and other interested land owners represented by the undersigned as stated in the hearing before this Commission on March 30 and 31 and April 1, 2, and 3, 1987 and files this APPLICATION FOR REHEARING of the commission's order of June 8, 1987, and state:

Neither they or their legal counsel received prior notice of the said hearing and became aware of it only a few days prior to said date therefore presented no testimony. The undersigned however, entered his appearance on their behalf at the hearing and orally made a statement wherein he gave his name, address and telephone number. Also, neither prior to or at the hearing were they furnished copies of any of the exhibits presented.

weither these land and royalty owners nor their counsel were served with or receive a copy of the commission's order of June 8, 1987 until June 24, 1987. At that time a copy of the order was given to their counsel in response to an inquiry by the undersigned as to whether or not a decision had been entered.

Said order does not address the issue as to whether said royalty owners are proper parties to the proceeding which may account for the Commission's failure to timely send a copy of the order to the undersigned. At any rate this Application for Rehearing is well within the 20 days from receipt of the order on June 24, 1987.

These applicants through their counsel join in, endorse, and adopt as their own the Application for Rehearing heretofore filed by counsel for Mallon Oil Company, and Mesa Grande Resources Inc.

and in particular that the commission address and consider the question of whether benson-Montin-Greer Drilling Corporation and Production Company met the legal burden placed upon them of proving by a preponderance of the evidence that their proposed changes to the state wide rule were justified. (See; International Minerals & Chemical Corp. v. New Mexico Public Service Commission, 81 N. M. 280; 466 P. 2d. 557 (1970). This issue was specifically raised by the undersigned at the aforesaid hearing and is most significant especially where, as herein, there is conflicting evidence on some of the principal-critical issues and where the said proponents offered little or no evidence on other issues.

WHEREFORE, these applicants request the commission to set these matters for hearing and rehearing as soon as possible.

Respectfully submitted,

WILLIAM O. JORDAN 28 Old Arroyo Chamiso

Santa Fe. New Mexico 87505

(505) 982-5689

Attorney for Mrs. Don Howard et al.

## CERTIFICATE OF SERVICE

I hereby certify that copis of the foregoing Application for Rehearing were mailed to the following persons this <u>Mr</u> day of July 1987:

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W. Thomas Kellahin Kellahin, Kellahin & Aubrey Post Office Box 2265 Santa Fe, New Mexico 87501

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Robert G. Stovall Dugan Production Company Post Office Box 208 Farmington, New Mexico 87499 Paul Cooter Rodey, Dicason, Sloan, Akin & Robb, P. A. Post Office Box 1357 Santa Fe, New Mexico 87504

William F. Carr Campbell & Black, P. A. Post Office Box 2208 Santa Fe, New Mexico 87501

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Robert D. Buettner Koch Exploration Company Post Office Box 2256 Wichita, Kansas 67201

William O. Jordan

## STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASES NOS. 7980, 8946, 9113, AND 9114 ORDER NO. R-7407-E

CASE NO. 7980

IN THE MATTER OF CASE 7980 BEING REOPENED PURSUANT TO THE PROVISIONS OF COMMISSION ORDER NO. R-7407, WHICH ORDER PROMULGATED TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE GAVILAN-MANCOS OIL POOL IN RIO ARRIBA COUNTY, INCLUDING A PROVISION FOR 320-ACRE SPACING UNITS.

CASE NO. 8946

IN THE MATTER OF CASE 8946 BEING REOPENED PURSUANT TO THE PROVISIONS OF COMMISSION ORDER NO. R-7407-D, WHICH ORDER PROMULGATED A TEMPORARY LIMITING GAS-OIL RATIO AND DEPTH BRACKET ALLOWABLE FOR THE GAVILAN-MANCOS OIL POOL IN RIO ARRIBA COUNTY.

CASE NO. 9113

APPLICATION OF BENSON-MONTIN-GREER DRILLING CORPORATION, JEROME P. McHUGH & ASSOCIATES, AND SUN EXPLORATION AND PRODUCTION COMPANY TO ABOLISH THE GAVILAN-MANCOS OIL POOL, TO EXTEND THE WEST PUERTO CHIQUITO-MANCOS OIL POOL, AND TO AMEND THE SPECIAL RULES AND REGULATIONS FOR THE WEST PUERTO CHIQUITO-MANCOS OIL POOL, RIO ARRIBA COUNTY, NEW MEXICO.

CASE NO. 9114

APPLICATION OF MESA GRANDE RESOURCES, INC. FOR THE EXTENSION OF THE GAVILAN-MANCOS OIL POOL AND THE CONTRACTION OF THE WEST PUERTO CHIQUITO-MANCOS OIL POOL, RIO ARRIBA COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

These causes came on for hearing on March 30 and 31 and April 1, 2, and 3, 1987 at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission."

-2-Cases Nos. 7980, 8946, 9113 and 9114 Order No. R-7407-E

NOW, on this 8th day of June, 1987, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearings and being fully advised in the premises,

#### FINDS THAT:

- (1) Due public notice having been given as required by law, the Commission has jurisdiction of these causes and the subject matter thereof.
- (2) At the time of hearing, Cases 7980, 8946, 8950, 9113 and 9114 were consolidated for purposes of testimony.
- (3) Case 7980 involves review of temporary pool rules promulgated by Order R-7407 and Case 8946 involves reopening the matter of temporary reduction of allowable and gas/oil ratio limit, under Order R-7407-D, both orders pertaining to the Gavilan-Mancos Oil Pool.
- (4) Case 8950 involves reopening the matter of temporary reduction of allowable and gas/oil ratio limit under Order R-3401-A pertaining to the West Puerto-Chiquito-Mancos Oil Pool.
- (5) Case 9113 involves a proposal to abolish the Gavilan-Mancos Oil Pool and consolidate that pool into the West Puerto-Chiquito-Mancos Oil Pool and Case 9114 involves a proposal to shift the boundary between Gavilan-Mancos and West Puerto Chiquito-Mancos Oil Pools.
- (6) The evidence shows that there is limited pressure communication between the two designated pools, and that there are two weakly connected areas separated by some restriction at or near the common boundary of the two designated pools.
- (7) The evidence shows there are three principal productive zones in the Mancos formation in both presently designated pools, designated A, B, and C zones listed from top to bottom and that, while all three zones are productive in both designated pools, West Puerto Chiquito produces primarily from the C zone and Gavilan produces chiefly from the A and B zones.
- (8) It is clear from the evidence that there is natural fracture communication between zones A and B but that natural fracture communication is minor or non-existent between zones B and C.

- (9) The reservoir consists of fractures ranging from major channels of high transmissibility to micro-fractures of negligible transmissibility, and possibly, some intergranular porosity that must feed into the fracture system in order for oil therein to be recovered.
- (10) The productive capacity of an individual well depends upon the degree of success in communicating the wellbore with the major fracture system.
- (11) Interference tests indicate: 1) a high degree of communication between certain wells, 2) the ability of certain wells to economically and efficiently drain a large area of at least 640 acres; and 3) the probability exists that the better wells recover oil from adjacent tracts and even more distant tracts if such tracts have wells which were less successful in connecting with the major fracture system.
- (12) There is conflicting testimony as to whether the reservoir is rate-sensitive and the Commission should act to order the operators in West Puerto Chiquito and Gavilan-Mancos pools to collect additional data during 90-day periods of increased and decreased allowables and limiting gas-oil ratios.
- (13) Two very sophisticated model studies conducted by highly skilled technicians with data input from competent reservoir engineers produced diametrically opposed results so that estimates of original oil in place, recovery efficiency and ultimate recoverable oil are very different and therefore are in a wide range of values.
- (14) There was agreement that pressure maintenance would enhance recovery from the reservoir and that a unit would be required to implement such a program in the Gavilan-Mancos Pool.
- (15) Estimates of the amount of time required to deplete the Gavilan pool at current producing rates varied from 33 months to approximately five years from hearing date.
- (16) Many wells are shut in or are severely curtailed by OCD limits on permissible gas venting because of lack of pipeline connections and have been so shut in or curtailed for many months, during which time reservoir pressure has been shown by pressure surveys to be declining at 1 psi per day or more, indicating severe drainage conditions.
- (17) No party requested making the temporary rules permanent, although certain royalty (not unleased minerals)

Cases Nos. 7980, 8946, 9113 and 9114 Order No. R-7407-E

owners requested a return to 40-acre spacing, without presenting supporting evidence.

- (18) Proration units comprised of 640 acres with the option to drill a second well would permit wider spacing and also provide flexibility.
- (19) Recognizing that the two designated pools constitute two weakly connected areas with different geologic and operating conditions, the administration of the two areas will be simplified by maintaining two separate pools.
- (20) A ninety day period commencing July 1, 1987, should be given for the connection for casinghead gas sale from now-unconnected wells in the Gavilan pool, after which allowables should be reduced in that pool until said wells are connected.
- (21) To provide continuity of operation and to prevent waste by the drilling of unnecessary wells, the temporary spacing rules promulgated by Order R-7407 should remain in effect until superceded by this Order.
- (22) Rules for 640-acre spacing units with the option for a second well on each unit should be adopted together with a provision that units existing at the date of this order should be continued in effect.

#### IT IS THEREFORE ORDERED THAT:

- (1) The application of Benson-Montin-Greer et al in Case No. 9113 to abolish the Gavilan-Mancos pool and extend the West Puerto Chiquito-Mancos pool to include the area occupied by the Gavilan-Mancos Pool is denied.
- (2) The application of Mesa Grande Resources, Inc. for the extension of the Gavilan-Mancos and the concomitant contraction of West Puerto Chiquito-Mancos Pool is denied.
- (3) Rule 2 of the temporary special rules and regulations for the Gavilan-Mancos Oil Pool as promulgated by Order R-7407 is hereby amended as follows:
  - Rule 2 (a). A standard proration unit shall consist of between 632 and 648 acres consisting of a governmental section with at least one and not more than two wells drilled or recompleted thereon; provided that if the second well is drilled or recompleted on a standard unit it shall not be located in the same quarter section, nor

-5-Cases Nos. 7980, 8946, 9113 and 9114 Order No. R-7407-E

closer than 1650 feet to the first well drilled on the unit; and provided further that proration units formed prior to the date of this order are hereby granted exception to this rule.

- (b). A buffer zone is hereby created consisting of the east half of sections bordering Township 1 West. Only one well per section shall be drilled in said buffer zone and if such well is located closer than 2310 feet from the western boundary of the West Puerto Chiquito-Mancos Oil Pool it shall not be allowed to produce more than one-half the top allowable for a 640-acre proration unit.
- (4) Beginning July 1, 1987, the allowable shall be 1280 barrels of oil per day per 640 acres with a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil. Operators are required to monitor reservoir performance, including but not limited to, production rates, gas-oil ratios, reservoir pressures, and shall report this information to the Commission within 30 days after completion of the tests. Within the first week of July, 1987, bottom hole pressure tests shall be taken on all wells. Wells shall be shut-in until pressure stabilizes or for a period not longer than 72 hours. Additional bottom hole tests shall be taken within the first week of October, 1987, with similar testing requirements. All produced gas, including gas vented or flared, shall be metered. Operators are required to submit a testing schedule to the District Supervisor of the Aztec office of the Oil Conservation Division prior to testing so that tests may be witnessed by OCD personnel.
- (5) Beginning October 1, 1987, the allowable shall be 800 barrels of oil per day per 640 acres with a limiting gas-oil ratio of 600 cubic feet of gas per barrel of oil. Operators are required to monitor reservoir performance as in (4) above with bottom hole pressure tests to be taken within the first week of January, 1988. This allowable and GOR limitation shall remain in effect until further notice from the Commission.
- (6) In order to prevent further waste and impairment of correlative rights each well in the Gavilan-Mancos Oil Pool shall be connected to a gas gathering system by October 1, 1987 or within ninety days of completion. If Wells presently unconnected are not connected by October 1 the Director may reduce the Gavilan-Mancos allowable as may be appropriate to prevent waste and protect correlative rights. In instances where it can be shown that connection is absolutely uneconomic the well involved may be granted authority to flow or vent the

-6-Cases Nos. 7980, 8946, 9113 and 9114 Order No. R-7407-E

gas under such circumstances as to minimize waste as determined by the Director.

- (7) The temporary special pool rules promulgated by Order R-7407 are hereby extended to the effective date of this order and said rules as amended herein are hereby made permanent.
- (8) This case shall be reopened at a hearing to be held in May, 1988 to review the pools in light of information to be gained in the next year and to determine if further changes in rules may be advisable.
- (9) Jurisdiction of this cause is retained for entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

WILLIAM R. HUMPHRIES, Member

ERLING A BROSTUEN, Member

WILLIAM J. LEMAY, Chairman and Secretary

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

REOPENED CASES NO. 7980, 8946 AND 8950 ORDER NO. R-7407-F-1 ORDER NO. R-6469-F-1

REOPENING CASES 7980, 8946 AND 8950 FOR FURTHER TESTIMONY AS PROVIDED BY ORDER R-7407-E IN REGARD TO THE GAVILAN-MANCOS OIL POOL AND ORDER R-6469-D IN REGARD TO THE WEST PUERTO CHIQUITO-MANCOS OIL POOL IN RIO ARRIBA COUNTY, NEW MEXICO.

#### NUNC PRO TUNC ORDER

#### BY THE COMMISSION:

It appearing to the Oil Conservation Commission of New Mexico (Commission) that the combined order (Order Nos. R-7407-F and R-6469-F) issued in Reopened Case Nos. 7980, 8946 and 8950 and dated August 5, 1988, does not correctly state the intended order of the Commission;

#### IT IS THEREFORE ORDERED THAT:

- (1) Division Order No. R-7407-F being inadvertently issued twice, the first in Reopened Case 7980 heard before the Commission on March 17, 1988, and the second being erroneously issued in the immediate case as described above; therefore, all references to "Order No. R-7407-F" throughout said order issued in Reopened Case Nos. 7980, 8946 and 8950, dated August 5, 1988, are hereby amended to read "Order No. R-7407-G."
- (2) The corrections set forth in this order be entered <u>nunc pro tunc</u> as of August 5. 1988.

DONE at Santa Fe, New Mexico, on this 17th day of August, 1988.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

WILLIAM R. HUMPHRIES, Member

ERLING A. BROSTUEN, Member

WILLIAM J. LEMA() Chairman and

Secretary

SEAL