

*Entered April 17, 1964
A.L.F.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2986
Order No. R-2691

APPLICATION OF SHELL OIL COMPANY
TO ESTABLISH A GOR LIMIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Shell Oil Company, seeks the establishment of a special gas-oil ratio limitation of 5,000 cubic feet of gas for each barrel of oil produced in the Mesa-Queen Pool, Lea County, New Mexico.

(3) That approval of the subject application will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas and for this purpose to use his just and equitable share of the reservoir energy.

(4) That approval of the subject application will prevent waste and protect correlative rights provided the flaring or venting of gas in the Mesa-Queen Pool is prohibited.

(5) That in order to assure the protection of correlative rights, the operator of each well in the Mesa-Queen Pool should file a new gas-oil ratio test with the Commission's Hobbs District Office on or before May 31, 1964.

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IT IS THEREFORE ORDERED:

(1) That, effective May 1, 1964, the limiting gas-oil ratio in the Mesa-Queen Pool, Lea County, New Mexico, shall be 5,000 cubic feet of gas for each barrel of oil produced; that, effective May 1, 1964, each proration unit in the Mesa-Queen Pool shall produce only that volume of gas equivalent to 5,000 multiplied by top unit oil allowable for the pool.

(2) That the operator of each well in the Mesa-Queen Pool shall file a new gas-oil ratio test with the Commission's Hobbs District Office on or before May 31, 1964, and shall furnish a schedule of test dates to the Commission's Hobbs District Office in order that the tests may be witnessed.

(3) That no gas shall be flared or vented in the Mesa-Queen Pool more than 60 days after a well begins to produce or 60 days after the effective date of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

(4) That jurisdiction of this cause is retained for the 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

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

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