

Entered September 17, 1971
A.P.P.

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. 4575
Order No. R-4193

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR THE AMENDMENT OF THE
SPECIAL POOL RULES FOR AN EXISTING
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 11, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of September, 1971, 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, Anadarko Production Company, has completed in the San Andres formation its Lou Wortham Well No. 6 in Unit E of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and within the horizontal boundaries of the South Eunice-San Andres Pool.

(3) That the applicant seeks the amendment of the Special Rules and Regulations governing the South Eunice-San Andres Pool to provide for the classification of oil and gas wells, spacing and well location requirements, an allocation formula for withdrawals by oil and gas wells, and the classification of its Lou Wortham Well No. 6 as a gas well in the South Eunice-San Andres Pool.

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(4) That the evidence presented to establish that said Lou Wortham Well No. 6 is a gas well is inconclusive.

(5) That the evidence presented to establish that the South Eunice-San Andres Pool is an associated pool is inconclusive.

(6) That the applicant's request for the amendment of the Special Rules and Regulations governing the South Eunice-San Andres Pool to provide for the classification of oil and gas wells, spacing and well location requirements, an allocation formula for withdrawals by oil and gas wells and the classification of its Lou Wortham Well No. 6 as a gas well should be denied.

(7) That the reservoir characteristics of the subject pool are such that a gas-oil ratio limitation of 5,000 cubic feet of gas per barrel of oil should be established on a temporary basis for one year in order to allow the operators in the subject pool to gather additional information as to whether or not the Lou Wortham Well No. 6 is indeed a gas well and whether or not the South Eunice-San Andres Pool is indeed an associated pool.

IT IS THEREFORE ORDERED:

(1) That the applicant's request for the amendment of the Special Rules and Regulations governing the South Eunice-San Andres Pool to provide for the classification of oil and gas wells, spacing and well location requirements, an allocation formula for withdrawals by oil and gas wells, and the classification of its Lou Wortham Well No. 6 as a gas well in said pool is hereby denied.

(2) That effective, October 1, 1971, the limiting gas-oil ratio of the South Eunice-San Andres Pool, Lea County, New Mexico, shall be 5,000 cubic feet of gas for each barrel of oil produced.

(3) That this case shall be reopened at an examiner hearing in September, 1972, at which time the operators in the subject pool may appear and present evidence as to whether or not the Anadarko Production Company Lou Wortham Well No. 6 located in Unit E of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is in fact a gas well; whether or not

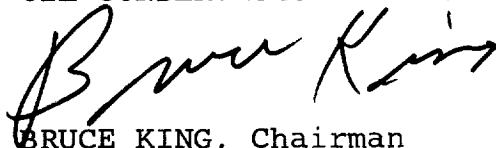
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the South Eunice San Andres Pool is in fact an associated reservoir; and whether or not the limiting gas-oil ratio should revert to 2000 cubic feet of gas for each barrel of oil produced.

(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.

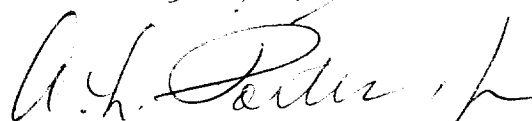
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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

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