

Original May 6, 1975
A.L.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. 5461
Order No. R-5011

NOMENCLATURE

APPLICATION OF GENERAL AMERICAN
OIL COMPANY FOR POOL EXTENSION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 30, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of May, 1975, 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, General American Oil Company,
seeks the extension of the vertical limits of the Grayburg
Jackson (Queen-Grayburg-San Andres) Pool, Eddy County, New
Mexico, to include the Seven Rivers formation excepting that
area of said Grayburg Jackson Pool overlain by the Fren-Seven
Rivers Pool.

(3) That the Seven Rivers formation overlying the Grayburg
Jackson Pool in the horizontal area of the proposed extension
consists of thin porosity and permeability zones often holding
marginally economic reserves of hydrocarbons.

(4) That the evidence presented shows that it is
uneconomical to attempt to drill to, complete, and produce
the subject Seven Rivers formation as a single completion.

(5) That the evidence presented shows that it is
uneconomical to attempt to complete the subject Seven Rivers
formation dually with the Grayburg Jackson zones.

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(6) That the evidence presented shows that the subject Seven Rivers formation can be completed and efficiently and economically produced by extending the vertical limits of the Grayburg Jackson Pool as proposed.

(7) That the nature and conditions of the Seven Rivers and Grayburg Jackson reservoirs and fluids are such that the vertical limits of the Grayburg Jackson Pool may be extended as proposed without causing waste.

(8) That the Fren-Seven Rivers Pool is an old established pool with very low marginal production.

(9) That to avoid problems associated with diverse ownership between existing completions in the Fren-Seven Rivers Pool and the Grayburg Jackson Pool and to maintain historical production statistics, the vertical limits of the Grayburg Jackson Pool should not be extended to include the Seven Rivers formation in that area of said pool overlain by the Fren-Seven Rivers Pool.

(10) That the North Fren Yates-Seven Rivers Associated Pool consisting of the SE/4 and E/2 SW/4 of Section 9, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, should be abolished.

(11) That approval of the subject application will result in the recovery of hydrocarbons which would not otherwise be produced, will prevent waste and will not violate correlative rights.

(12) That the application to extend the vertical limits of the Grayburg Jackson Pool as proposed should be approved.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Grayburg Jackson (Queen-Grayburg-San Andres) Pool, as previously established and defined by Commission order, are hereby extended to include the Seven Rivers formation excepting in that area where said pool is overlain by the Fren-Seven Rivers Pool.

(2) That the North Fren Yates-Seven Rivers Associated Pool is hereby abolished.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

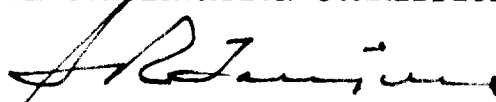
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

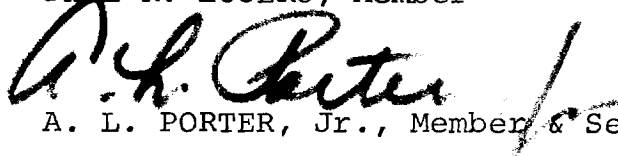
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



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

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