

Entered September 16, 1976
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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. 5735
Order No. R-5268

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A SPECIAL GAS-OIL
RATIO LIMITATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 18, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of September, 1976, 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, Continental Oil Company, seeks the amendment of Rule 19 of the Special Rules for the Warren-Tubb Gas Pool promulgated by Order No. R-1234, to provide for an increase in the gas-oil ratio limitation for oil wells in said pool to 6,000 to one.

(3) That the Warren-Tubb Gas Pool is not fully defined.

(4) That the Warren-Tubb Gas Pool presently consists of 5 completed gas wells and 9 completed oil wells.

(5) That the applicant seeks the aforesaid higher gas-oil ratio limitation for said pool in order that the oil production therefrom will not be restricted as a result of oil well allowable adjustments due to excessive (over 2,000 to 1) individual well gas-oil ratios.

(6) That the applicant contends that such restriction of takes from the oil wells will cause the upward migration of the gas-oil contact toward the gas wells thereby causing waste of oil through the resultant "wetting" of "dry" sands.

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(7) That at this time only one oil well is experiencing such a restricted allowable.

(8) That the applicant is the only operator in the Warren-Tubb Gas Pool.

(9) That the Warren-Tubb Gas Pool lies wholly within the Warren Unit operated by the applicant.

(10) That as operator of the Warren Unit and the sole operator in the Warren-Tubb Gas Pool, the applicant can operate all wells within said pool in such a manner as to prevent the upward migration of the gas-oil contact therein without the relief sought in this application.

(11) That production of gas from wells in excess of a gas-oil ratio of 2,000 to one in said Warren-Tubb Gas Pool may result in the inefficient use of reservoir energy therein.

(12) That denial of this application will not violate correlative rights and may prevent waste.

(13) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for an amendment of Rule 19 of the Special Rules for the Warren-Tubb Gas Pool to provide for a gas-oil ratio limitation of 6,000 to 1 is hereby denied.

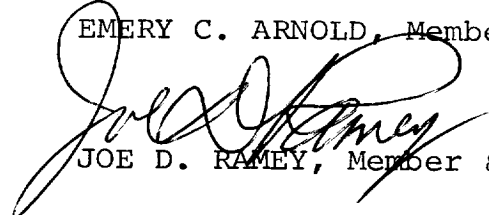
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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