

Entered October 25, 1977  
JAK

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. 6040  
Order No. R-5552

APPLICATION OF GULF OIL  
CORPORATION FOR POOL RECLASSIFICA-  
TION AND A SPECIAL GOR LIMIT, LEA  
COUNTY, NEW MEXICO.

NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 28, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of October, 1977, 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, Gulf Oil Corporation, is the owner and operator of several wells in the North Teague-Devonian Gas Pool, Lea County, New Mexico, and as such seeks the reclassification of said pool as an oil pool and the establishment of a special gas-oil ratio limitation of not more than 5000 to one for said pool.

(3) That said pool was discovered by applicant's C. E. La Munyon Well No. 8, located in Unit M of Section 22, Township 23 South, Range 37 East, NMPM, on June 7, 1976.

(4) That production tests at the time of completion of said well indicated that the well was a gas well and that it was completed in a newly discovered gas pool, whereupon the Commission created and defined the North Teague-Devonian Gas Pool by Order No. R-5338, effective January 1, 1977.

(5) That subsequent to the creation and definition of said North Teague-Devonian Gas Pool, additional drilling and testing indicates that said pool is in fact an oil pool, and that said pool should be reclassified as an oil pool and designated the North Teague-Devonian Pool.

(6) That an apparent impermeability barrier extends in an East-West direction at the South end of the North Teague-Devonian Pool, effectively separating said pool from the Teague-Devonian Pool to the South.

(7) That that portion of the application requesting consolidation of said pool with the Teague-Devonian Pool in Sections 27, 34 and 35 of Township 23 South, Range 37 East, should be dismissed.

(8) That the producing characteristics of the wells completed in the North Teague-Devonian Pool, insofar as they are presently known, justify the establishment of a gas-oil ratio of 4,000 to 1 on a temporary basis.

(9) That the vertical limits of the North Teague-Devonian Pool should be the Devonian formation and the horizontal limits should comprise the following lands:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 22: SW/4  
Section 27: NW/4

(10) That Paragraphs (b) of Commission Order No. R-5338 and (u) of Order No. R-5416, which created and defined, and extended, the North Teague-Devonian Gas Pool, should be superseded.

(11) That this case should be reopened at an examiner hearing in October, 1978, to permit the operators in the subject pool to appear and show cause why the limiting gas-oil ratio for the pool should not revert to 2000 to one.

IT IS THEREFORE ORDERED:

(1) That a new pool, classified as an oil pool for Devonian production, be and the same is hereby created and designated the North Teague-Devonian Pool comprising the following described lands in Lea County, New Mexico:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 22: SW/4  
Section 27: NW/4

-3-

Case No. 6040  
Order No. R-5552

(2) That the depth bracket allowable for the North Teague-Devonian Pool shall be 187 barrels of oil per day.

(3) That the North Teague-Devonian Gas Pool, as heretofore created, defined, and classified, is hereby abolished and Paragraph (b) of Commission Order No. R-5338 and Paragraph (u) of Commission Order No. R-5417 are hereby superseded.

(4) That effective November 1, 1977, for a period of one year, the limiting gas-oil ratio for the North Teague-Devonian Pool shall be 4,000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective November 1, 1977, each proration unit in the North Teague-Devonian Pool shall produce only that volume of gas equivalent to 4,000 multiplied by the top unit allowable for the pool.

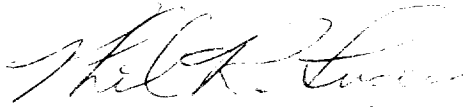
(5) That this case shall be reopened at an examiner hearing in October, 1978, at which time the operators in the subject pool may appear and show cause why the limiting gas-oil ratio for the pool should not revert to 2000 cubic feet of gas per barrel.

(6) That that portion of the application requesting consolidation of said pool with the Teague-Devonian Pool in Sections 27, 34 and 35 of Township 23 South, Range 37 East, is hereby dismissed.

(7) 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

S E A L  
dr/