

Entered September 10, 1980
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6981
Order No. R-6464

APPLICATION OF BASS ENTERPRISES
PRODUCTION COMPANY FOR A SPECIAL
GAS-OIL RATIO LIMITATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 20, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Bass Enterprises Production Company, seeks, as an exception to Rule 506 of the Division Rules and Regulations, a limiting gas-oil ratio of 8,000 cubic feet of gas per barrel of oil for the Palmillo-Bone Spring Pool, Eddy County, New Mexico.

(3) That the reservoir characteristics of the subject pool justify the establishment of a gas-oil limitation of 8,000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owners in the Palmillo-Bone Spring Pool the opportunity to economically produce their just and equitable share of the oil and gas in the subject pool and for this purpose to use their just and equitable share of the reservoir energy, a limiting gas-oil ratio of 8,000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the pool.

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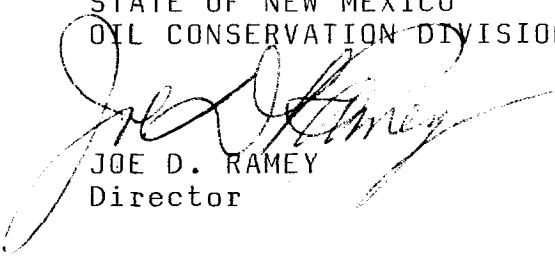
IT IS THEREFORE ORDERED:

(1) That effective September 1, 1980, the limiting gas-oil ratio in the Palmillo-Bone Spring Pool, Eddy County, New Mexico, shall be 8,000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective September 1, 1980, each proration unit in the Palmillo-Bone Spring Pool shall produce only that volume of gas equivalent to 8,000 multiplied by the top unit allowable for the pool.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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