

Entered November 6, 1980
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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. 7047
Order No. R-6503

APPLICATION OF NUCORP ENERGY INC.
FOR A SPECIAL GAS-OIL RATIO
LIMITATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 15, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of November, 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, Nucorp Energy Inc., seeks a special gas-oil ratio limitation of 10,000 to one, retroactive to April 18, 1980, for the East Caprock-Pennsylvanian Pool, Lea County, New Mexico.

(3) That said East Caprock-Pennsylvanian Pool is currently a one-well pool of unknown extent being developed only by applicant's State 23 Well No. 1 located in Unit K of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

(4) That the evidence presently available indicates that said East Caprock-Pennsylvanian Pool may be produced at a limiting gas-oil ratio of 10,000 to one without waste.

(5) That the applicant, on or before March 1, 1981, should submit data to the Director of the Division as to the size of the reservoir being drained by said State 23 Well No. 1, and

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demonstrating that the East Caprock-Pennsylvanian Pool may continue to be produced at a gas-oil ratio of 10,000 to one without waste.

(6) That the Director of the Division should be permitted to reopen this case, at his option, for further testimony relative to the proper gas-oil ratio limitation or spacing unit size following receipt of the data required in Finding No. (5) above.

(7) That the application for special gas-oil ratio limitation should be approved effective May 1, 1980.

IT IS THEREFORE ORDERED:

(1) That effective May 1, 1980, a special gas-oil ratio of 10,000 cubic feet of gas per barrel of oil is hereby established for the East Caprock-Pennsylvanian Pool, as heretofore defined and described, in Lea County, New Mexico.

IT IS FURTHER ORDERED:

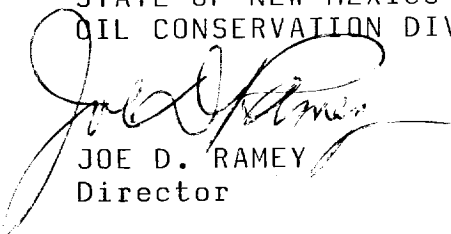
(1) That the applicant, Nucorp Energy Inc., on or before March 1, 1981, shall submit data to the Director of the Division demonstrating that the East Caprock-Pennsylvanian Pool may continue to be produced at a gas-oil ratio of 10,000 to one without waste and establishing the size of the reservoir being drained by said State 23 Well No. 1.

(2) That following receipt of the data required in Finding No. (5) of this order the Director of the Division may, at his option, reopen this case for further testimony relative to the proper gas-oil ratio limitation or spacing unit size.

(3) 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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