

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 8352  
Order No. R-7737-A

IN THE MATTER OF CASE 8352 BEING  
REOPENED PURSUANT TO THE PROVISIONS  
OF DIVISION ORDER NO. R-7737, WHICH  
ORDER ESTABLISHED SPECIAL RULES AND  
REGULATIONS FOR THE WEST BRAVO DOME  
CARBON DIOXIDE GAS AREA IN HARDING  
COUNTY, NEW MEXICO, INCLUDING A  
PROVISION FOR 640-ACRE SPACING UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 26, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of October, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-7737, dated November 19, 1984, the Division established temporary special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area (defined on Exhibit "B" of said Order No. R-7737), Harding County, New Mexico, including a provision for 640-acre spacing and proration units.

(3) Pursuant to the provisions of Order No. R-7737, this case was reopened to allow the operators in the subject area to appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

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(4) Cities Service Oil and Gas Corporation (Cities Service), Amerigas, Amerada Hess Corporation, and Ross Carbonics entered appearances in this case at the time of the hearing.

(5) Cities Service, who owns substantial acreage and operates numerous wells within the West Bravo Dome Carbon Dioxide Gas Area, testified that no production history from wells within the subject area is available at the present time due to current low market demand for carbon dioxide gas.

(6) Cities Service further testified that the low market demand for carbon dioxide gas is due for the most part to the recent fall in oil prices which makes tertiary oil recovery projects uneconomical at the present time and all indications are that the market will not significantly improve for approximately two to three years.

(7) As a result, Cities Service requested at the hearing that the temporary special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area remain in effect for a period of three years following the date of first production from wells within the area, in order to give the operators in the area the opportunity to gather well performance data and production history.

(8) No operator within the subject area opposed the continuation of the temporary special rules and regulations.

(9) Cities Service did present evidence and testimony which shows that reservoir parameters such as porosity and permeability within the subject area are very similar to those reservoir parameters found within the Bravo Dome 640-Acre Area, which is located immediately to the East of the subject area and which has been permanently spaced on 640-acre proration units by the Division.

(10) While the evidence is insufficient at this time to establish permanent special rules and regulations for the subject area, the similar nature of the reservoir characteristics in the West Bravo Dome Carbon Dioxide Gas Area and in the Bravo Dome 640-Acre Area justifies the continuation of the temporary special rules and regulations including the provision for 640-acre spacing and proration units.

(11) The temporary special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area should continue in full force and effect for a period of two years commencing

with the date of first production from the area in order to allow the operators in the subject area the opportunity to gather well performance data and production history.

(12) Cities Service should be required to notify the Division of the date of first production from the area.

(13) This case should be reopened at an examiner hearing in October, 1991 or two years from the date of first production from the area, whichever occurs first.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations governing the West Bravo Dome Carbon Dioxide Gas Area, Harding County, New Mexico, are hereby continued in full force and effect until further order of the Division.

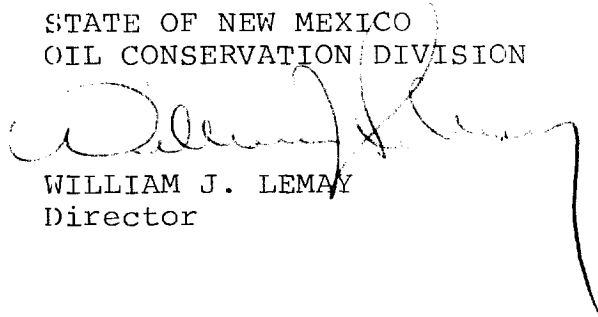
(2) This case shall be reopened at an examiner hearing in October, 1991, or two years from the date of first production from the subject area, whichever occurs first, at which time the operators in the subject area may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

(3) Cities Service shall notify the Santa Fe office of the Division of the date of first production from the subject area.

(4) 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



WILLIAM J. LEMAY  
Director

S E A L  
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