

**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. 9078 (Reopened)  
Order No. R-8450-B**

**IN THE MATTER OF CASE NO. 9078 BEING  
REOPENED PURSUANT TO THE PROVISIONS OF  
DIVISION ORDER NOS. R-8450 AND R-8450-A,  
BOTH CONCERNING THE SOUTHWEST OSUDO-  
WOLFCAMP GAS POOL IN LEA COUNTY, NEW  
MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on January 10, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 30th day of November, 1992, 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-8450 issued in Case No. 9078 on May 29, 1987, the Division, upon application of BTA Oil Producers (BTA), created a pool for Wolfcamp gas production, said pool being designated the Southwest Osudo-Wolfcamp Gas Pool, with horizontal limits comprising the NE/4 of Section 23, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) Order No. R-8450 further established the spacing in the Southwest Osudo-Wolfcamp Gas Pool at 320 acres, and contained a provision whereby Case No. 9078 would be reopened in November, 1988 to determine the "exact nature of the reservoir, and more particularly, as to the proper rate of withdrawal from the reservoir if it is indeed determined to be a retrograde gas condensate reservoir".

(4) Order No. R-8483 amended the horizontal limits of the pool to include the SE/4 of Section 23, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico.

(5) By Order No. R-8450-A issued in Case No. 9078 (Reopened) on December 16, 1988, the Division continued in full force and effect the provisions contained within Order No. R-8450 due to the lack of sufficient data to make a proper determination on those issues described in Finding No. (3) above. Said order also required that Case No. 9078 be reopened in December, 1989 at which time the issues would be addressed.

(6) The subject case was reopened and heard on January 10, 1990.

(7) BTA Oil Producers (BTA), the only operator in the subject pool, appeared and presented evidence and testimony in this case in support of continuing the rules currently in effect for the subject pool.

(8) The evidence presented indicates that the subject pool only contains one producing well, the BTA Byers 8605 JV-P Well No. 1 located 1830 feet from the North line and 660 feet from the East line (Unit H) of Section 23, Township 20 South, Range 35 East, NMPM.

(9) The E/2 of Section 23 is currently dedicated to the subject well. The proration unit consists of two separate leases comprising the W/2 E/2 and the E/2 E/2 of Section 23.

(10) The evidence and testimony presented by BTA indicates that the subject Wolfcamp reservoir is limited in size and will likely be entirely drained by the Byers 8605 JV-P Well No. 1.

(11) Further testimony indicates that it is unlikely that any additional wells will be drilled in the Southwest Osudo-Wolfcamp Gas Pool.

(12) Production data indicates that oil and gas production from the subject well has stabilized and has averaged approximately 200 MCF of gas and 38 barrels of oil per day during 1990 and 1991.

(13) The gas-oil ratio has also stabilized and during 1990 and 1991 averaged approximately 5,300 cubic feet of gas per barrel of oil.

(14) The evidence presented in the immediate case and in the two previous cases generally indicates that the subject reservoir should be classified as a retrograde gas condensate reservoir.

(15) The evidence further indicates that it would serve no useful purpose nor increase the recovery of hydrocarbons from the subject well by placing a limit on its production at this time.

(16) According to applicant's testimony, the subject well has drained an area in excess of 40 acres.

(17) The applicant has testified that upon depletion of the zone currently being produced, it intends to recomplete to an upper interval in the Wolfcamp formation that drill stem tested approximately 3.0 MMCF of gas, which zone should likely be considered a gas reservoir.

(18) No other offset operator and/or interest owner appeared at the hearing to present additional evidence.

(19) Continuation of the rules currently in effect for the Southwest Osudo-Wolfcamp Gas Pool, as established by Division Order No. R-8450, will allow the applicant the opportunity to recover its just and equitable share of the oil and gas reserves in the subject pool, will prevent the drilling of unnecessary wells, and will protect correlative rights.

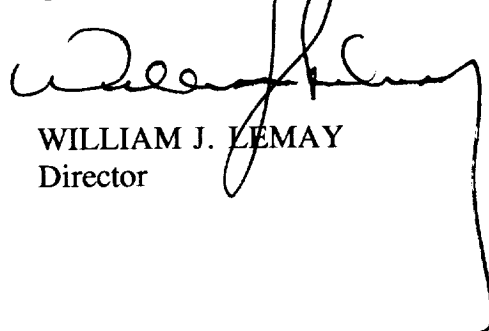
**IT IS THEREFORE ORDERED THAT:**

(1) The Rules and Regulations for the Southwest Osudo-Wolfcamp Gas Pool, Lea County, New Mexico, as established by Division Order No. R-8450, are hereby continued in full force and effect until further order of the Division.

(2) Jurisdiction is hereby 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

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