

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. 9622
ORDER NO. R-8909

APPLICATION OF CONOCO INC. FOR
SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 15, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of April, 1989, 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) The applicant, Conoco Inc., seeks an order promulgating special rules and regulations for the Warren-Drinkard Pool in Sections 27, 28, 29, and 32, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, to include a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil with a retroactive effective date for such special pool rules as of November 10, 1988.

(3) At the time of the hearing the applicant requested that the proposed gas-oil ratio limitation be increased to 8,000 cubic feet of gas per barrel of oil.

(4) The Warren-Drinkard Pool, created and defined by Division Order No. R-27, as amended, is currently governed by General Statewide Rules and Regulations, including a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

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(5) The Warren-Drinkard Pool is offset to the northwest by the Skaggs-Drinkard Pool which has a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil (Division Order No. R-7020). The Drinkard Pool to the south of the Warren-Drinkard Pool has a gas-oil ratio of 6,000 cubic feet of gas per barrel of oil (Division Order No. R-4202).

(6) The Warren-Drinkard Pool was initially a combination solution gas and water drive reservoir discovered in 1950.

(7) Evidence presented at the hearing indicates that at this stage of development, wells in said pool may now be operated at the limiting gas-oil ratio of 8,000 to 1 without waste.

(8) An effective date of November 10, 1988 for such a change in the gas-oil ratio for this pool will result in the elimination of the current casinghead gas overproduction.

(9) There was no opposition by any operator in the area or by any interested party in the pool to the request to increase the GOR limit or the retroactivity thereof.

(10) In order to afford the owner of each property in the Warren-Drinkard Pool the opportunity to produce his just and equitable share of the oil and gas in the subject pool and for this purpose to use his 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 said pool and made effective retroactive as of November 10, 1988.

IT IS THEREFORE ORDERED THAT:

(1) Effective retroactive to November 10, 1988, Special Rules and Regulations for the Warren-Drinkard Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR
THE WARREN-DRINKARD POOL

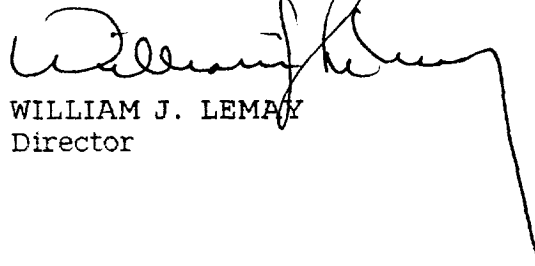
RULE 1. The limiting gas-oil ratio for said Warren-Drinkard Pool shall be 8,000 cubic feet of gas for each barrel of oil produced.

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

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

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A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

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