

Entered April 11, 1967
A.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3400
Order No. R-3064-A

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR CREATION OF A NEW POOL
AND SPECIAL POOL RULES, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1967, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-3064, dated May 4, 1966, temporary Special Rules and Regulations were promulgated for the Big Eddy-Strawn Pool, Eddy County, New Mexico.

(3) That pursuant to the provisions of Order No. R-3064, this case was reopened to allow the operators in the subject pool to appear and show cause why the Big Eddy-Strawn Pool should not be developed on 40-acre or 80-acre spacing units and why the limiting gas-oil ratio should not revert to the Statewide limit of 2000 to 1.

(4) That the evidence establishes that one well in the Big Eddy-Strawn Pool can efficiently and economically drain and develop 160 acres.

(5) That Rule 7 of the Special Rules and Regulations governing the Big Eddy-Strawn Pool provided that the limiting gas-oil ratio shall be 4000 cubic feet of gas for each barrel of oil produced.

(6) That the reservoir characteristics of the subject pool presently available justify the establishment of a gas-liquid ratio limitation of 6000 cubic feet of gas per barrel of liquid hydrocarbons.

(7) That Rule 7 of the Special Rules and Regulations governing the Big Eddy-Strawn Pool should be amended to read in its entirety as follows:

RULE 7. The limiting gas-oil ratio shall be 6000 cubic feet of gas for each barrel of oil produced.

(8) That the Special Rules and Regulations promulgated by Order No. R-3064, as amended by this order, have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool.

(9) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-3064, as amended by this order, should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Rule 7 of the Special Rules and Regulations governing the Big Eddy-Strawn Pool, Eddy County, New Mexico, promulgated by Order No. R-3064, is hereby amended to read in its entirety as follows:

RULE 7. The limiting gas-oil ratio shall be 6000 cubic feet of gas for each barrel of oil produced.

(2) That the Special Rules and Regulations governing the Big Eddy-Strawn Pool, Eddy County, New Mexico, promulgated by Order No. R-3064, as amended by this order, are hereby continued in full force and effect until further order of the Commission.

-3-

CASE No. 3400

Order No. R-3064-A

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

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

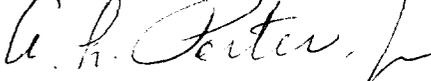
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



GUYTON B. HAYS, Member



A. L. PORTER, Jr., Member & Secretary

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