

Entered November 10, 1970
A. V. 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. 4173
Order No. R-3811-B

APPLICATION OF AMERADA HESS CORPORATION
FOR SPECIAL POOL RULES AND POOL EXTENSION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 28, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 1970, 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-3811, dated August 14, 1969, temporary Special Rules and Regulations were promulgated for the Hobbs-Drinkard Pool, Lea County, New Mexico.

(3) That by Order No. R-3811-A, dated July 15, 1970, said Special Rules and Regulations were continued in full force and effect for an additional 90-day period.

(4) That pursuant to the provisions of said Order No. R-3811-A, this case was reopened to allow all interested persons to appear and show cause why the Hobbs-Drinkard Pool should not be developed on 40-acre spacing, why the limiting gas-oil ratio should not revert to 2000 to one, and why all casinghead gas produced by wells in the pool should not be reinjected.

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(5) That the reservoir characteristics of the Hobbs-Drinkard Pool presently available justify the establishment of a gas-oil ratio of only 3000 cubic feet of gas per barrel of oil on a permanent basis.

(6) That the reservoir characteristics of the Hobbs-Drinkard Pool presently available are not such as to make it feasible to reinject casinghead gas produced in said pool.

(7) That subject to Finding No. (5), above, the evidence establishes that the Hobbs-Drinkard Pool has been and will be efficiently and economically drained and developed under the Special Rules and Regulations promulgated by Orders Nos. R-3811 and R-3811-A.

(8) That subject to Finding No. (5), above, the Special Rules and Regulations promulgated by Orders Nos. R-3811 and R-3811-A 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, subject to Finding No. (5), above, the Special Rules and Regulations promulgated by Orders Nos. R-3811 and R-3811-A 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 for the Hobbs-Drinkard Pool, Lea County, New Mexico, is hereby amended to read in its entirety as follows:

"RULE 7. The limiting gas-oil ratio shall be 3000 cubic feet of gas for each barrel of oil produced."

(2) That subject to Order (1), above, the Special Rules and Regulations governing the Hobbs-Drinkard Pool, promulgated by Orders Nos. R-3811 and R-3811-A, are hereby continued in full force and effect until further order of the Commission.

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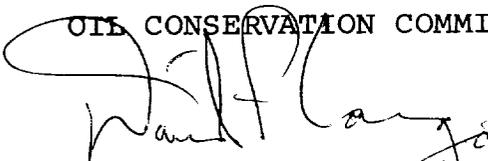
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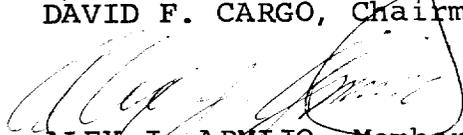
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



ALEX J. ARMIJO, Member



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

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