

Entered October 29, 1965
W.H.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. 3298
Order No. R-1670-G
NOMENCLATURE

APPLICATION OF SUNRAY DX OIL COMPANY
FOR THE CREATION OF AN OIL AND GAS POOL
AND FOR SPECIAL POOL RULES, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 25, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of October, 1965, 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 the applicant, Sunray DX Oil Company, seeks creation of a new oil and gas pool in Sections 22 through 28 and Sections 34 through 36, Township 7 South, Range 35 East, and Sections 30 and 31, Township 7 South, Range 36 East, NMPM, Roosevelt County, New Mexico.
- (3) That the applicant also seeks the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre oil well spacing and proration units and 320-acre gas well spacing and proration units.
- (4) That the applicant also seeks a provision for limiting withdrawals from gas cap wells to the volumetric equivalent of withdrawals from oil wells in the pool.

(5) That the applicant also seeks the establishment of an administrative procedure to authorize the transfer of allowables among wells on the same lease while conducting pressure interference tests.

(6) That by Order No. R-2666, dated March 13, 1964, the Commission created the Todd-San Andres Gas Pool and promulgated special rules and regulations governing said pool.

(7) That the applicant has established that the common source of supply presently designated the Todd-San Andres Gas Pool is, in fact, an associated oil and gas reservoir.

(8) That said reservoir should be redesignated the Todd-San Andres Pool and the horizontal limits of said pool should be redefined.

(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, temporary special rules and regulations providing for 80-acre oil well spacing and proration units and 320-acre gas well spacing and proration units should be promulgated for the Todd-San Andres Pool.

(10) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(11) That the temporary special rules and regulations should provide for limited withdrawals from gas cap wells in order to prevent the migration of oil into the gas cap and resulting waste.

(12) That in order to permit the operators in the subject pool to gather additional reservoir information, the temporary special rules and regulations should establish an administrative procedure to authorize the transfer of allowables among wells on the same lease while conducting interference tests.

(13) That this case should be reopened at an examiner hearing in October, 1966, to permit the operators in the subject pool to present all available information, including interference test results, concerning the effectiveness of the temporary special

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rules and regulations promulgated by this order and the area that can be efficiently and economically drained and developed by one well in the subject pool.

(14) That the special rules and regulations for the Todd-San Andres Gas Pool, promulgated by Order No. R-2666, should be superseded.

IT IS THEREFORE ORDERED:

(1) That the Todd-San Andres Gas Pool in Roosevelt County, New Mexico, is hereby redesignated the Todd-San Andres Pool, with vertical limits comprising the San Andres formation and horizontal limits comprising the following-described area:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM

Sections 22 and 23: All

Section 24: W/2

Sections 25 through 28: All

Sections 34 through 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM

Section 31: W/2

(2) That the Todd-San Andres Pool shall be governed by the General Rules and Regulations Governing Prorated Gas Pools in South-eastern New Mexico promulgated by Order No. R-1670, as amended, insofar as said General Rules and Regulations are not inconsistent with the Special Rules and Regulations hereinafter set forth.

(3) That temporary Special Rules and Regulations for the Todd-San Andres Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
TODD-SAN ANDRES POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 1. Each well completed or recompleted in the Todd-San Andres Pool or in the San Andres formation within one mile of the Todd-San Andres Pool, and not nearer to or within the limits of another designated San Andres pool, shall be spaced, drilled, operated, and

produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2(A). Each gas well shall be located in the northeast quarter or the southwest quarter of the section and shall be located no nearer than 660 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 2(B). Each oil well shall be located within 200 feet of the center of a governmental quarter-quarter section.

RULE 2(C). In the event oil production is obtained in a well projected as a gas well and located in accordance with Rule 2(A) above but not in accordance with Rule 2(B) above, or in the event gas production is obtained in a well projected as an oil well and located in accordance with Rule 2(B) above but not in accordance with Rule 2(A) above, it shall be necessary for the operator to bring the matter to a hearing before approval for the production of hydrocarbons can be given. Such unorthodox location, if approved, may necessitate an allowable adjustment.

RULE 3. The Secretary-Director of the Commission may grant an exception to the footage requirements of Rule 2(A) or 2(B) without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application. Such unorthodox location, if approved, may necessitate an allowable adjustment.

RULE 4(A). Each gas well shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 4(B). For good cause shown, the Secretary-Director may grant an exception to the requirements of Rule 4(A) without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

- (1) The non-standard unit consists of contiguous quarter-quarter sections or lots.
- (2) The non-standard unit consists of not more than 324 acres and lies wholly within a single governmental section.
- (3) The entire non-standard unit may reasonably be presumed to be productive of gas from said pool.
- (4) The applicant presents written consent in the form of waivers from all offset operators, and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in the non-standard unit.
- (5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of the non-standard unit.

RULE 5(A). Each oil well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit. For purposes of these rules, a unit consisting of between 79 and 81 contiguous surface acres shall be considered a standard unit.

RULE 5(B). For good cause shown, the Secretary-Director may grant an exception to the requirements of Rule 5(A) above without notice

and hearing where an application has been filed in due form, and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

- (1) The non-standard unit is to consist of a single quarter-quarter section or lot.
- (2) The non-standard unit contains less than 81 acres.
- (3) The entire non-standard unit may reasonably be presumed to be productive of oil from said pool.
- (4) The applicant presents written consent in the form of waivers from all offset operators.
- (5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the offset operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no operator has entered an objection to the formation of such non-standard unit.

B. NOMINATION AND PRORATION SCHEDULE

RULE 6(A). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 6(B). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 7(A). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 7(B). (SEE ORDER NO. R-1670, AS AMENDED.)

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A). The total tentative gas allowable to be allocated to the pool shall be equal to the sum of the preliminary or supplemental nominations together with necessary adjustments. The pool gas allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that

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each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

Preliminary nominations for the first gas proration period (seven months, from December 1, 1965, to July 1, 1966) shall be filed with the Commission at least five days prior to the November, 1965, hearing. These nominations shall indicate the market demand for gas for the ensuing period and shall be subject to any necessary adjustments.

RULE 8(B)(1). No well shall be assigned an allowable until Form C-104 and Form C-116 have been filed together with a plat (Form C-102) showing the acreage dedicated to the well and the location of all wells on the unit. Form C-116 shall show, in addition to the information required thereon, the gravity of the liquid hydrocarbons produced on the test.

The District Supervisor of the Commission's Hobbs District Office is hereby authorized to assign a temporary gas allowable to wells connected to a gas transportation facility during the recovery of load oil, which allowable shall not exceed the number of cubic feet of gas obtained by multiplying the daily top unit allowable for the pool by 2000.

RULE 8(B)(2). A standard oil proration unit shall be assigned an 80-acre proportional factor of 2.00 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

RULE 9(A). A gas well's "Acreage Factor" shall be determined to the nearest hundredth of a unit by dividing the acreage assigned to the well by 320 acres. An oil well's "Acreage Factor" shall be determined to the nearest hundredth of a unit by dividing the acreage assigned to the well by 80 acres.

RULE 9(B). Each oil well on an 80-acre oil proration unit shall be permitted to produce an amount of gas determined by multiplying the top unit oil allowable for the pool by the limiting gas-oil ratio for the pool (2000). In the event there is more than one oil well on an 80-acre oil proration unit, the operator may produce the allowable assigned to the unit from said wells in any proportion.

RULE 9(C). Allowables to wells whose classification has changed from oil to gas or from gas to oil as the result of a gas-liquid ratio test shall commence on the first day of the month following the month in which such test was reported, provided a plat (Form C-102) showing the acreage dedicated to the well and the location of all wells on the dedicated acreage has been filed.

RULE 10(A). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 10(B). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 11: (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 12. The full production of gas from each well, including drilling gas, shall be charged against the well's allowable regardless of the disposition of the gas; provided, however, that gas used in maintaining the producing ability of the well shall not be charged against the allowable.

D. BALANCING OF PRODUCTION

RULE 13(A). The initial gas proration period shall be from 7:00 o'clock a.m. on December 1, 1965, to 7:00 o'clock a.m. on July 1, 1966. Subsequently, the dates of 7:00 o'clock a.m. January 1st and 7:00 o'clock a.m. July 1st shall be known as balancing dates, and the periods of time bounded by these dates shall be known as the gas proration periods for the pool.

RULE 13(B)(1). The top 80-acre unit allowable for oil wells shall be determined each month by multiplying the Southeast New Mexico Normal Unit Allowable by the 80-acre proportional (depth) factor for said pool (2.00). The final allowable for the gas area of said pool shall be determined each six months for the preceding six-month period in accordance with the following formula:

$$V = \left[Q \times \left(\frac{A + \Delta A}{a + \Delta a} \right) \right] \left[(r_1 - r_2) + \left(\frac{T_{sc}}{T_{res}} \times \frac{P_{res}}{P_{sc}} \times \frac{1}{Z} \times B_o \times 5.61 \frac{ft^3}{bbl} \right) \right]$$

where:

V = the gas allowable for the gas area for the preceding six-month period and is equal to the volumetric gas equivalent of all production from the oil area during the preceding six-month period expressed in cubic feet rounded off to the nearest MCF.

- Q = total oil production from the oil area during the preceding six-month period, barrels.
- (A + ΔA) = total acres dedicated to gas wells during preceding six-month period.
- (a + Δa) = total acres dedicated to oil wells during preceding six-month period.

(Note: "A" and "a" represent acreage dedicated to gas wells and to oil wells respectively for the entire six-month period. ΔA and Δa represent acreage so dedicated for only a portion of the six-month period. In the event a well is completed or reclassified during a six-month period ΔA and/or Δa shall be computed as follows:

$$\Delta A = A \left(\frac{d}{D} \right) \qquad \Delta a = a \left(\frac{d}{D} \right)$$

where:

- ΔA or Δa = acreage to be added to gas or oil area, respectively.
- A or a = acreage dedicated to the well.
- d = number of days during proration period during which well was completed as gas well or as oil well and was so classified.
- D = total number of days in proration period.)
- r₁ = Average producing GOR for oil area during preceding six-month period. (Determined by dividing total cubic feet of casinghead gas produced by total barrels of oil produced.)
- r₂ = Solution GOR for the oil area at P_{res}. (r₂ determined from Solution GOR Tabulation in Special Rule 13(C).)
- T_{sc} = Temperature at standard conditions = 60° F or 520° R.

- T_{res} = Initial bottom-hole temperature 125° F or 585° R.
- P_{res} = Average reservoir pressure based on most recent bottom-hole pressure survey as provided in Special Rule 28.
- P_{sc} = Pressure at standard conditions. (15.025 psia.)
- Z = Deviation factor for gas at P_{res} and at 125° F. (Z factor determined from gas Deviation Factor Tabulation in Special Rule 13(C).)
- B_o = Oil reservoir factor at P_{res} . (B_o determined from Oil Reservoir Volume Factor Tabulation in Special Rule 13(C).)

RULE 13(B)(2). (a) The volumetric equivalent of gas for the gas area determined in (1) above shall be compared with the actual production from the gas area.

RULE 13(B)(2). (b) If the actual production from the gas area exceeds such volumetric equivalent plus any permitted production remaining as determined in (c) below, then the nominations and purchases by gas purchasers during the succeeding six-month period shall be adjusted by the Commission so that the volumetric withdrawals from the gas area shall be restricted for the purpose of balancing the cumulative equivalent volumetric withdrawals from each area.

RULE 13(B)(2). (c) If the actual production from the gas area is less than the volumetric equivalent for the gas area then no adjustments will be made but the difference between the volumes will be carried forward as permitted production of gas from the gas area in subsequent balancing periods.

RULE 13(C). The following values of r_2 , Solution Gas-Oil Ratio, Z , Gas Deviation Factor, and B_o , Oil Reservoir Volume Factor, for the various values of P_{res} , Average Reservoir Pressure, shall be used in computing the volumetric equivalent of gas per Special Rule 13(B):

<u>P_{res}</u> Average Reservoir Pressure, Psia	<u>r₂</u> Solution GOR Ft ³ /Bbl.	<u>Z</u> Gas Deviation Factor	<u>B_o</u> Oil Reservoir Volume Factor
1680	275	0.841	1.160
1600	265	0.844	1.155
1500	253	0.850	1.149
1400	241	0.856	1.142
1300	229	0.863	1.136
1200	217	0.871	1.129
1100	205	0.880	1.122
1000	193	0.889	1.116
900	181	0.899	1.109
800	169	0.909	1.103
700	157	0.919	1.097
600	145	0.930	1.089
500	133	0.942	1.081
400	119	0.953	1.076
300	101	0.965	1.070
200	79	0.976	1.058
100	51	0.988	1.040

RULE 14(A). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 14(B). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 15(A). Overproduction: Any well which has an overproduced status as of the end of a gas proration period shall carry such overproduction forward into the next gas proration period, provided that such overproduction shall be made up during such succeeding period. Any well which has not made up the overproduction carried into a gas proration period by the end of such proration period shall be shut in until such overproduction is made up. If, at any time, a well is overproduced an amount equalling three times its current monthly allowable, it shall be shut in during that month, and each succeeding month until the well is overproduced less than three times its current monthly allowable.

RULE 15(B). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 15(C). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 15(D). (SEE ORDER NO. R-1670, AS AMENDED.)

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E. CLASSIFICATION OF WELLS

RULE 16(A). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 16(B). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 17. (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 18. (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 19. (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 20. (SEE ORDER NO. R-1670, AS AMENDED.)

F. REPORTING OF PRODUCTION

RULE 21(A). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 21(B). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 21(C). (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 21(D). (SEE ORDER NO. R-1670, AS AMENDED.)

G. GENERAL

RULE 22. No gas, either dry gas or casinghead gas, produced from the pool shall be flared or vented except as otherwise provided in these Special Rules and Regulations. All gas produced, whether dry gas or casinghead gas and regardless of final disposition thereof, shall be constantly and accurately measured.

RULE 23. (SEE ORDER NO. R-1670, AS AMENDED.)

RULE 24. (SEE ORDER NO. R-1670, AS AMENDED.)

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25. A gas well in the pool shall be a well producing with a gas-liquid ratio of 30,000 cubic feet of gas per barrel of liquid hydrocarbons, or more, or any well which produces liquid hydrocarbons with a gravity of 60⁰ API or greater.

An oil well in the pool shall be a well producing with a gas-liquid ratio of less than 30,000 cubic feet of gas per barrel

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of liquid hydrocarbons and which produces liquid hydrocarbons with a gravity of less than 60° API.

RULE 26. The operator of each newly completed well in the pool shall cause a gas-liquid ratio test to be taken on said well upon recovery of all load oil from the well; provided, however, that in no event shall the test be commenced later than 30 days from the date of first production unless the well is connected to a gas-gathering facility and is producing under a temporary gas allowable assigned in accordance with Rule 8(A) above. Provided, however, that any well which is shut in shall be exempted from the aforesaid gas-liquid ratio test requirement so long as it remains shut in. The initial gas-liquid ratio test shall be taken in the manner prescribed by Special Rule 27 below. If the gas-liquid ratio is 30,000 cubic feet of gas per barrel of liquid hydrocarbons, or more, or the gravity of the liquid hydrocarbons is 60° API, or greater, the operator shall not produce the well until beneficial use can be made of the gas.

No gas shall be flared or vented from any well classified as an oil well more than 60 days after the well begins to produce. Exceptions may be granted administratively by the Secretary-Director if the request sets forth facts and circumstances justifying such exception.

RULE 27. Gas-liquid ratio tests shall be taken on all wells in the pool and on all wells producing from the San Andres formation within one mile of the boundaries of the pool which are not within another designated San Andres pool during the months of January, April, July, and October of each year. The initial gas-liquid ratio test shall suffice as the first quarterly test. Tests shall be 24-hour tests, being the final 24 hours of a 72-hour period during which the well shall be produced at a constant normal rate of production. Results of such tests shall be filed on Commission Form C-116 on or before the 10th day of the following month. At least 72 hours prior to commencement of any such gas-liquid ratio test, each operator shall file with the Hobbs District Office of the Commission a test schedule for its wells specifying the time each of its wells is to be tested. Copies of the test schedule shall also be furnished to all offset operators.

Special tests shall also be taken at the request of the Secretary-Director and may also be taken at the option of the operator. Such special tests shall be taken in accordance with

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the procedures outlined hereinabove, including notification to the Commission and offset operators.

RULE 28. The average reservoir pressure shall be determined during the months of March and September each year after the well has been shut in for a minimum of three days. Pressures shall be calculated to a common datum, which shall be the approximate depth of the gas-oil contact (-70 feet subsea). The pressure on individual wells shall be determined in the following manner:

- (1) Subsurface pressure tests shall be taken on all wells, gas and oil, in accordance with the procedure outlined in Statewide Rule 302, except with respect to shut-in time and datum as provided above. Pressures of pumping oil wells may be calculated from sonic fluid level determinations.
- (2) Information obtained on these tests shall be reported on Form C-124 in accordance with the provisions of Statewide Rules 302 and 1124, and the Commission shall use the arithmetic average of the pressures so reported for the pressure, P_{res} , in the calculations as provided in Special Rule 13(B).

RULE 29. The gas-oil ratio limitation for the pool shall be 2000 cubic feet of gas per barrel of liquid hydrocarbons produced.

RULE 30. No acreage shall be simultaneously dedicated to an oil well and to a gas well in the pool.

IT IS FURTHER ORDERED:

(1) That the Special Rules and Regulations for the Todd-San Andres Gas Pool, promulgated by Order No. R-2666, are hereby superseded.

(2) That any well presently drilling to or completed in the San Andres formation within the Todd-San Andres Pool or within one mile of said pool that would not comply with the well location requirements of Rules 2(A) and 2(B) is hereby granted an exception to said rules. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 1, 1965.

(3) That the Secretary-Director of the Commission is hereby authorized to approve interference tests and the transfer of allowables to wells in the same lease or, if in a unitized area, to wells on the same participating area; provided, however, that any such authorization shall be limited to a period of six months, but may be renewed. No transfer well shall be permitted to receive, in addition to its own allowable, more than 50 per cent of one top unit allowable for the pool.

To obtain administrative approval for interference tests and the transfer of allowable, the operator shall submit in triplicate a request for such authority describing in detail the proposed method of conducting such tests and transferring the allowable. The application shall be accompanied by a plat showing thereon all wells within a radius of two miles of the proposed shut-in well(s) and the transfer well(s). The plat shall also identify each lease or participating area as to ownership or operating rights. The application shall include evidence that all offset operators to the shut-in well(s) and the transfer well(s) have been furnished a complete copy of the application. It shall also be accompanied by Form C-116 for each shut-in well, showing the results of a pre-shut-in test to determine the amount of allowable to be transferred. The transferred allowable shall not exceed the volume of oil produced during the last 24 hours of a 72-hour period during which the well shall be produced at a constant rate. The Commission and offset operators to both the shut-in well(s) and the transfer well(s) may witness such tests if they so desire and shall be notified of the tests at least 48 hours prior to the commencement thereof.

The Secretary-Director of the Commission may grant approval of the interference tests and transfer of allowable upon receipt of waivers from all offset operators or upon expiration of a 20-day waiting period, provided no offset operator has objected to the proposed test and transfer.

(4) That this case shall be reopened at an examiner hearing in October, 1966, at which time the operators in the Todd-San Andres Pool should be prepared to appear and present all available information, including bottom hole fluid analyses, reservoir data, and interference test results, concerning the effectiveness of the temporary Special Rules and Regulations promulgated by this order and the area that can be efficiently and economically drained and developed by one well in the subject pool.

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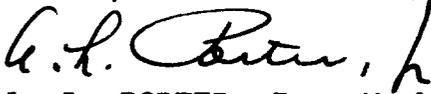
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

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*Entered October 19, 1966
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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. 3298
Order No. R-1670-G-1

APPLICATION OF SUNRAY DX OIL COMPANY
FOR THE CREATION OF AN OIL AND GAS POOL
AND FOR SPECIAL POOL RULES, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 11, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of October, 1966, 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-1670-G, dated October 29, 1965, temporary Special Rules and Regulations were promulgated for the Todd-San Andres Pool, Roosevelt County, New Mexico, superseding the Special Rules and Regulations promulgated by Order No. R-2666, dated March 13, 1964.

(3) That pursuant to the provisions of Order No. R-1670-G, this case was reopened to allow the operators in the subject pool to appear and present all available information, including bottom hole fluid analyses, reservoir data, and interference test results, concerning the effectiveness of the temporary Special Rules and Regulations promulgated by Order No. R-1670-G for said pool, particularly as they relate to the effectiveness of the