

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-A

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 July 1, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of July, 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, establishing 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas for each barrel of oil produced for a period of one year.

(3) That pursuant to the provisions of Order No. R-3811, this case was reopened to allow the operators in the subject pool to appear and show cause why the Hobbs-Drinkard Pool should not be developed on 40-acre spacing units and why the limiting gas-oil ratio should not revert to 2000 to one.

(4) That the evidence presented indicates that a continuation of present producing practices in the Hobbs-Drinkard Pool as

authorized by the temporary Special Rules and Regulations governing said pool may result in an extremely low recovery factor in said pool.

(5) That the evidence presented indicates that the reinjection of gas produced by wells in the subject pool would result in the recovery of more oil.

(6) That the temporary Special Rules and Regulations for the Hobbs-Drinkard Pool, promulgated by Order No. R-3811, should be continued in effect for a period of approximately 90 days in order to allow the operators in the subject pool an opportunity to gather additional information concerning the reservoir characteristics of the pool.

(7) That this case should be reopened at an examiner hearing in October, 1970, at which time the applicant and all interested persons should 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/or why all casinghead gas produced by wells in the pool should not be re-injected.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Hobbs-Drinkard Pool, Lea County, New Mexico, promulgated by Order No. R-3811, are hereby continued in full force and effect until further order of the Commission.

(2) That this case should be reopened at an examiner hearing in October, 1970, at which time the applicant and all interested persons may 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/or why all casinghead gas produced by wells in the pool should not be re-injected.

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

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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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