

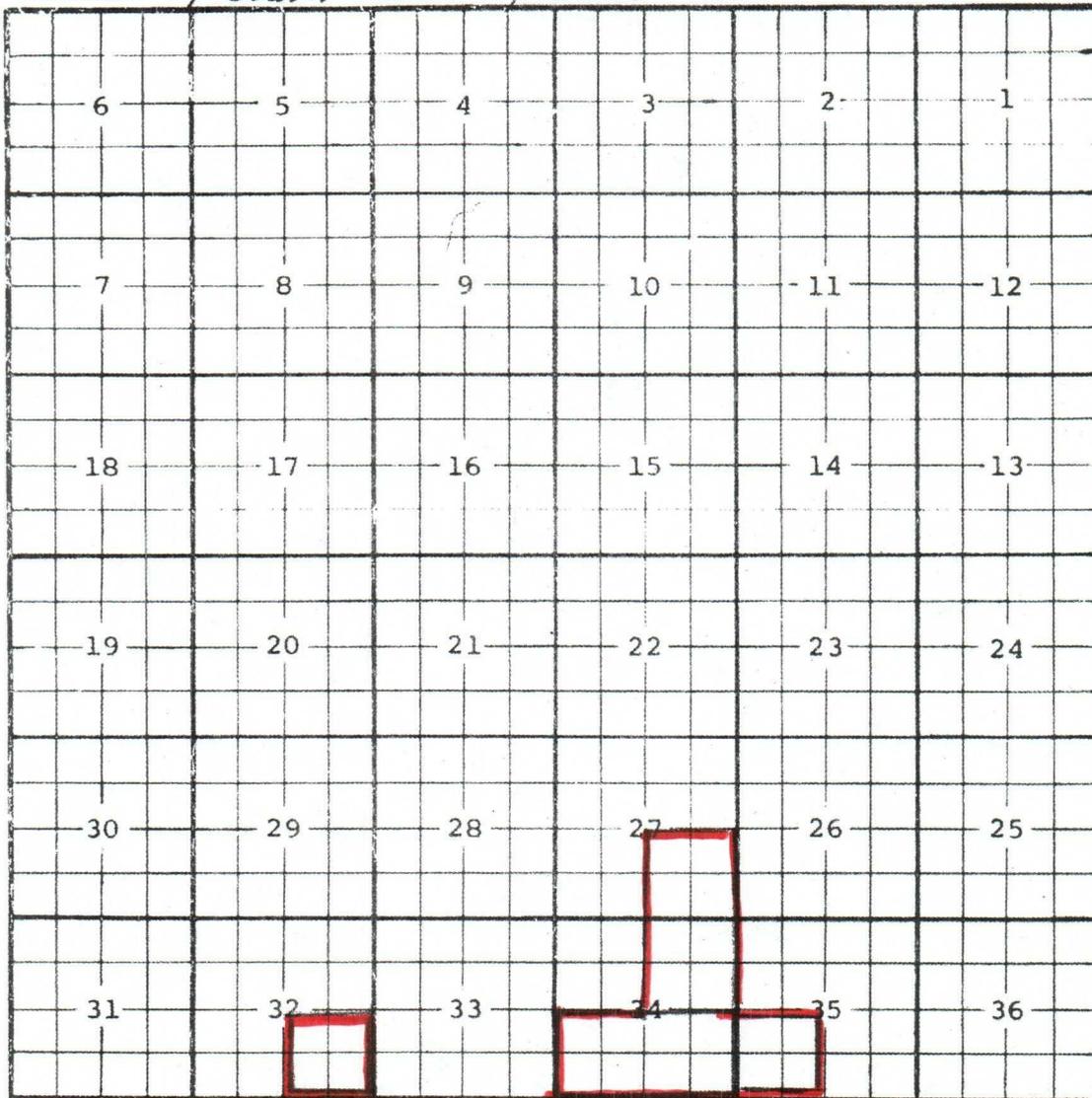
COUNTY *Lea*

POOL *Monument-Tubb*

TOWNSHIP *19 South*

RANGE *37 East*

NMPM



Ext: S/2 Sec. 34 (R-3104, 9-1-66) Ext: Vertical limits extended to include Drinkard formation; pool redesignated Monument Tubb-Drinkard

Cont: Vertical limits contracted to the Tubb formation only; pool redesignated Monument-Tubb Pool. (R-5487, 4-1-79)

Ext: SW/4 Sec. 35, R-11243, 9-15-94) Ext: SE/4 Sec. 32 (R-11818, 8-26-02)

Ext: SE/4 Sec. 27, NE/4 Sec. 34 (R-12063, 11-25-03)

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. 3123
Order No. R-2800

APPLICATION OF CONTINENTAL OIL
COMPANY FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

*See also Order No.
R-10128*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 1964, 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, Continental Oil Company, seeks the promulgation of special rules and regulations for the Monument-Tubb Pool in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including a provision for 80-acre spacing units and a gas-oil ratio of 6000 to 1.

(3) That one well in the Monument-Tubb Pool can efficiently and economically drain and develop 80 acres.

(4) 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, special rules and regulations providing

for 80-acre spacing units should be promulgated for the Monument-Tubb Pool.

(5) That a limiting gas-oil ratio of 6000 to 1 would be excessive for this pool and might result in waste.

(6) That the special rules and regulations should provide for a limiting gas-oil ratio of 4000 to 1 in order to allow each operator in the pool the opportunity to use his just and equitable share of the reservoir energy.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Monument-Tubb Pool are hereby promulgated as follows, effective December 1, 1964:

SPECIAL RULES AND REGULATIONS
FOR THE
MONUMENT-TUBB POOL

RULE 1. Each well completed or recompleted in the Monument-Tubb Pool or in the Tubb formation within one mile thereof, and not nearer to or within the limits of another designated Tubb oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each 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 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.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot. All operators offsetting the proposed non-standard unit 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 formation of the

CASE No. 3123
Order No. R-2800

non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 330 feet to any governmental quarter-quarter section or lot line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions. 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.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.77 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 7. The limiting gas-oil ratio shall be 4000 cubic feet of gas for each barrel of oil produced.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Monument-Tubb Pool or in the Tubb formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. 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, 1964.

(2) That each well presently drilling to or completed in the Monument-Tubb Pool or in the Tubb formation within one mile thereof shall receive a 40-acre allowable until a Form C-128

-4-

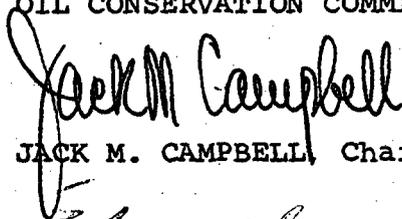
CASE No. 3123
Order No. R-2800

dedicating 80 acres to the well has been filed with the Commission.

(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



JACK M. CAMPBELL, Chairman



E. S. WALKER, Member



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

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**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. 10984
Order No. R-10128**

**APPLICATION OF TEXACO EXPLORATION
& PRODUCTION INC. FOR AMENDMENT OF
SPECIAL POOL RULES AND REGULATIONS
FOR THE MONUMENT-TUBB POOL, LEA
COUNTY, NEW MEXICO.**

*See Also Order
No. R-2800*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 26, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of June, 1994, 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) By Order No. R-1532, issued in Case No. 1809 on November 23, 1959, the Division created and defined the Monument-Tubb Pool, Lea County, New Mexico.
- (3) The Monument-Tubb Pool currently comprises the following described area:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 34: S/2

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 3: W/2
Section 8: SE/4
Section 9: SW/4, E/2
Section 10: All
Section 11: NW/4, S/2
Section 12: All
Section 13: N/2

Section 14: NW/4, W/2 NE/4, W/2 SW/4
Section 15: All
Section 16: E/2
Section 20: NE/4
Section 21: N/2
Section 22: N/2
Section 23: W/2

(4) The Monument-Tubb Pool is currently governed by Special Rules and Regulations as promulgated by Division Order No. R-2800 on November 10, 1964, which require standard 80-acre oil spacing and proration units, designated well locations, and a limiting gas-oil ratio of 4,000 cubic feet of gas per barrel of oil.

(5) The applicant, Texaco Exploration & Production Inc., seeks to amend Rule No. (7) of the Special Rules and Regulations for the Monument-Tubb Pool, to increase the limiting gas-oil ratio to 10,000 cubic feet of gas per barrel of oil.

(6) According to the Division's Monthly Statistical Report for December, 1993, there are currently thirty-nine wells within the Monument-Tubb Pool operated by eight operators. The applicant currently operates eleven wells within the pool.

(7) The applicant presented engineering evidence and testimony which indicates that of the thirty-five wells currently producing within the pool:

12 produce at a GOR in excess of 20,000:1
10 produce at a GOR between 10,000 and 20,000:1
11 produce at a GOR between 4,000 and 10,000:1
2 produce at a GOR of less than 4,000:1

(8) Further engineering evidence indicates that over the past several years, the Monument-Tubb Pool has produced, poolwide, at a gas-oil ratio in excess of 10,000 cubic feet of gas per barrel of oil.

(9) Applicant's geologic evidence and testimony demonstrated that there is no correlation between a given well's producing gas-oil ratio and its location structurally within the reservoir.

(10) There is no geologic or engineering evidence which would indicate the presence of a gas cap within the reservoir.

(11) The Monument-Tubb Pool appears to be a solution gas drive reservoir in its final stages of primary depletion.

(12) No operator in the pool or offset operator appeared at the hearing in opposition to the application.

(13) The evidence presented indicates that approval of the proposed gas-oil ratio limitation should not result in the excessive dissipation of reservoir energy, should not result in the reduced recovery of oil from the subject reservoir, thereby causing waste, and will not violate correlative rights.

(14) The proposed gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil for the Monument-Tubb Pool should be established on a permanent basis.

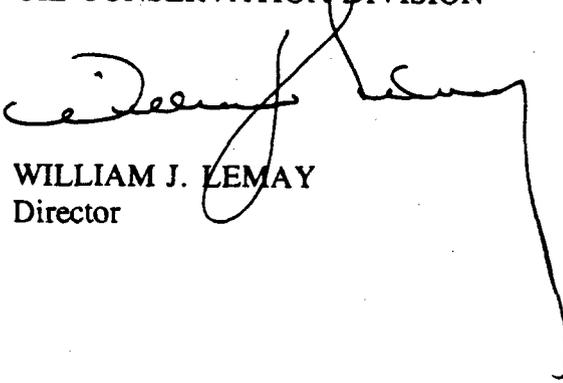
IT IS THEREFORE ORDERED THAT:

(1) Rule No. (7) of the Special Rules and Regulations for the Monument-Tubb Pool, Lea County, New Mexico, as promulgated by Division Order No. R-2800, is hereby amended by increasing the limiting gas-oil ratio for the subject pool to 10,000 cubic feet of gas per barrel of oil.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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