

**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. 11798
ORDER NO. R-10823**

**APPLICATION OF COLLINS & WARE,
INC. FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 12, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of June, 1997, 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) The applicant, Collins & Ware, Inc., seeks the promulgation of permanent special rules and regulations for the East Warren-Tubb Pool, Lea County, New Mexico, including the adoption of a special limiting gas-oil ratio for the pool of 6,000 cubic feet of gas per barrel of oil.

(3) The East Warren-Tubb Pool currently comprises the following described acreage in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 23: S/2, NE/4
Section 24: SW/4
Section 25: W/2, NE/4
Section 36: NW/4

(4) Division records indicate that the East Warren-Tubb Pool was created by Order No. R-9467 on March 15, 1991. The pool was originally classified as a Tubb gas pool, however, by Order No. R-10776 dated February 28, 1997, the pool was reclassified as an oil pool.

(5) The East Warren-Tubb Pool is currently governed by Division Statewide Rules and Regulations, which include 40-acre spacing, an oil allowable of 142 barrels per day, a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil, and a casinghead gas limit of 284 MCF per day.

(4) The East Warren-Tubb Pool is directly east of and adjacent to the Warren Blinebry-Tubb Oil and Gas Pool. This pool was created by Division Order No. R-9467, and was consolidated from portions of the Blinebry Oil and Gas Pool and Warren-Tubb Gas Pools. The pool was created for the purpose of allowing the simultaneous conductance of secondary recovery operations within the Blinebry and Tubb formations.

(5) Pursuant to Division Rule No. 701.G.(4), the Warren Blinebry-Tubb Oil and Gas Pool is not currently subject to an oil or gas producing allowable, and is not subject to a limiting gas-oil ratio.

(6) According to Division records, there are approximately twelve active producing wells within the East Warren-Tubb Pool operated by four different operators.

(7) The applicant has recently drilled and completed its Payday Well No. 1 and its M & M Well No. 1, located respectively, in Units L and E of Section 24. The Payday Well No. 1 has produced for approximately three months at an average producing GOR of 2,973. The M & M Well No. 1 has produced for approximately two months at an average producing GOR of 8,423.

(8) In support of its application, the applicant testified that:

- a) the East Warren-Tubb Pool is a solution-gas-drive reservoir;
- b) solution-gas-drive reservoirs are generally not rate sensitive;
- c) wells within the East Warren-Tubb Pool produce from vertically segregated intervals, some of which may be predominantly gas bearing.

(9) The applicant presented cumulative production data from thirty-four wells within the Warren Blinebry-Tubb Oil & Gas Pool and the East Warren-Tubb Pool. The applicant further presented cumulative production data on its recently completed Payday Well No. 1 and its M & M Well No. 1.

(10) The applicant presented no geologic data to establish that the East Warren-Tubb Pool and the Warren Blinebry-Tubb Oil and Gas Pool represent a single common source of supply in the Tubb formation.

(11) The applicant presented no geologic data (i.e. structure maps, isopach maps, etc.) to characterize the Tubb reservoir in Sections 23, 24 and 25.

(12) The applicant presented no geologic or engineering data to demonstrate that there are producing intervals in the East Warren-Tubb Pool that are predominantly gas bearing.

(13) The applicant presented no PVT or reservoir engineering data to characterize the nature of this Tubb reservoir.

(14) The evidence presented by the applicant is insufficient to demonstrate that producing the East Warren-Tubb Pool at a gas-oil ratio of 6,000 cubic feet of gas per barrel of oil will not result in the waste of reservoir energy or that ultimate recovery of oil and gas reserves from the pool will not be decreased.

(15) The application should be denied.

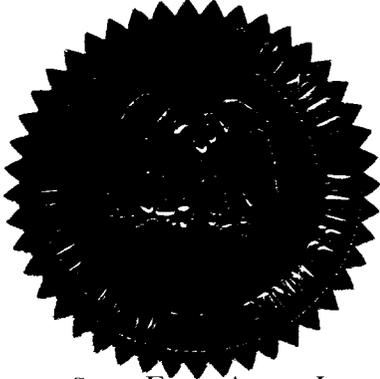
IT IS THEREFORE ORDERED THAT:

(1) The application of Collins & Ware, Inc., to promulgate permanent special rules and regulations for the East Warren-Tubb Pool, Lea County, New Mexico, including the adoption of a special limiting gas-oil ratio for the pool of 6,000 cubic feet of gas per barrel of oil is hereby denied.

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

CASE NO. 11798
Order No. R-10823
Page -4-

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LeMAY
Director