

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 46

ORDER NO. 563

THE APPLICATION OF THE GULF OIL
CORPORATION TO CONNECT TO PIPE LINE
AND RUN CONDENSATE FROM ITS WEST
GRIMES NO. 4 LOCATED IN THE NORTHEAST
QUARTER OF THE NORTHEAST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 32, TOWNSHIP
18 SOUTH, RANGE 38 EAST, HOBBS POOL, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., August 3, 1943, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 24th day of March, 1944, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds:

F I N D I N G S

1. That the Byers Pool in the general structure of the Hobbs Field, is a reservoir containing an important common accumulation of natural gas, is completely separated from any zone now producing in the White Crystalline Lime below, thereby constituting the Byers Pool, a separate pool within the meaning of the basic Oil Conservation Act as amended.

2. That the Gulf Oil Corporation-West Grimes Well No. 4, in the NENW Section 32, 18S-38E, has been completed as a gas well so as to produce from the Byers Pool. Said well is producing large quantities of gas, being beneficially utilized for fuel purposes. With such gas production is produced at the surface a substantial quantity of water-white liquid hydrocarbons of high gravity and of a highly volatile nature. Said well is produced primarily for gas, the production of said liquid hydrocarbons is incidental to such gas production.

3. On the same 40-acre tract is Gulf Oil Corporation-West Grimes Well No. 7, producing from a reservoir, predominately oil, in the White Crystalline Lime below the Byers Pool shown on the proration schedule as Unit C and as a non-marginal unit producing the full allowable of crude petroleum oil under applicable proration orders.

IT IS THEREFORE ORDERED:

A. That the pool in the 3500 to 3800 ft. depth zone shall be designated as the Byers Pool in the Hobbs Field.

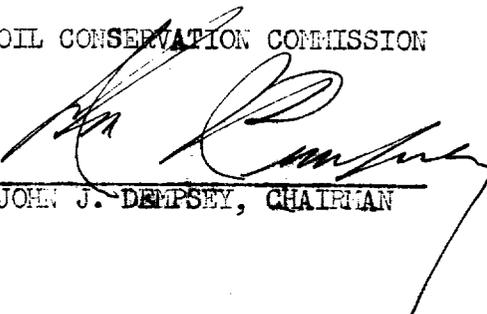
B. That Gulf-Oil Corporation-West Grimes Well No. 4 shall be permitted to produce and market said water-white liquid hydrocarbons in whatever amount produced in the manner set out in 2 above, notwithstanding any proration order or gas-oil ratio order; provided that the gas thus produced does not exceed in volume 25% of its open flow potential and is utilized commercially for heat, power or lease use.

C. That Gulf Oil Corporation-West Grimes Well No. 7 and the proration of its production to its corresponding Unit C, as set out in 3 above, are unaffected by this order.

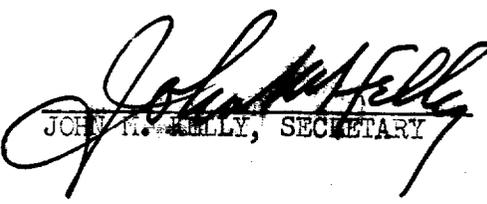
That this order shall become effective on the first day of the proration month next succeeding the month in which said order is adopted. The production and marketing of said water-white liquid hydrocarbons from said Well No. 4 theretofore are ratified and confirmed. Reservation is made herein for a final order on condensate and/or distillate production upon further hearing as provided by law.

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

OIL CONSERVATION COMMISSION


JOHN J. DEMPSEY, CHAIRMAN

H. R. RODGERS, MEMBER


JOHN W. KELLY, SECRETARY

SEAL