

(9) That the production of gas by some wells, from a unit containing a well or wells producing from a reservoir which contains both oil and gas, in excess of that volume of gas equivalent to the applicable limiting gas-oil ratio multiplied by the top unit allowable currently assigned to the pool, denies to the other owners of property in the pool the opportunity to use their just and equitable share of the reservoir energy.

~~(10)~~ That the production of gas, from a unit containing a well or wells producing from a reservoir which contains both oil and gas, in excess of that volume of gas equivalent to the applicable limiting gas-oil ratio multiplied by the top unit allowable currently assigned to the pool causes waste and a violation of correlative rights.

(11) ~~(10)~~ That in order to prevent waste and protect correlative rights Rule 506 of the Commission Rules and Regulations should be amended by deleting therefrom subparagraph (4) which reads as follows:

"(4) All gas produced with the current oil allowable determined in accordance with this rule shall be deemed to have been lawfully produced."

~~(12) That the evidence indicates that in some pools, in order to prevent waste and protect correlative rights, the limiting gas-oil ratio should be increased.~~

~~(13) That in order to prevent waste and protect correlative rights, the Commission should call a hearing upon its own motion to ascertain the efficient gas-oil ratio limitation for the Eunice and Monument areas of the Eunice Monument Pool (Grayburg San Andres), Lea County, New Mexico.~~

IT IS THEREFORE ORDERED:

(1) That effective November 1, 1971, Rule 506 of the New Mexico Oil Conservation Commission Rules and Regulations is hereby amended by deleting therefrom subparagraph (4) which reads as follows:

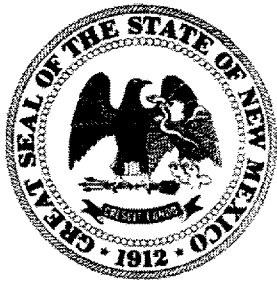
"(4) All gas produced with the current oil allowable determined in accordance with this rule shall be deemed to have been lawfully produced."

(2) 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.

(12) That the Commission should give consideration to the revision of the gas-oil ratio limitation for certain pools upon the ^{petition} application of interested persons.

(13) That the Commission upon its own motion should give consideration to the consolidation of the Eunice and monument areas of the Eunice Monument Pool (Grayburg - San Andres) and the ascertainment of a common ^{efficient} gas-oil ratio limitation for the consolidated area.



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OIL CONSERVATION DIVISION

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Report Description

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