

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. 10115
ORDER NO. R-9354

APPLICATION OF MARATHON OIL COMPANY
FOR THE ASSIGNMENT OF A SPECIAL DEPTH
BRACKET ALLOWABLE, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 31, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 1990 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, Marathon Oil Company, is the operator of 10 producing wells in the Tamano-Bone Spring Pool which comprises all or portions of Sections 2, 11, 12, 14, 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) The applicant seeks the assignment of a special depth bracket allowable, pursuant to General Rule 505(d), of 460 barrels of oil per day to replace the current depth bracket allowable for said pool of 230 barrels of oil per day.
- (4) Presently, there are wells completed in the Tamano-Bone Spring Pool that are capable of producing in excess of the current depth bracket allowable.

(5) The evidence presently available indicates that an increased rate of production from wells in said pool will not result in damage to the reservoir nor have an adverse effect on the ultimate recovery from the pool but should instead be improved thereby.

(6) Approval of the subject application should serve to prevent waste and will not violate correlative rights.

(7) The subject application should be approved.

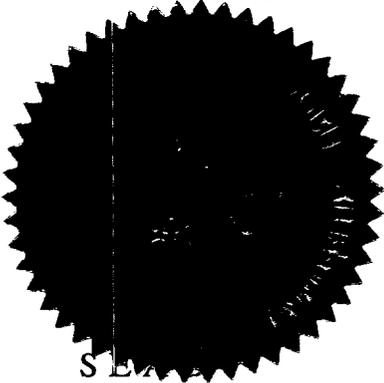
IT IS THEREFORE ORDERED THAT:

(1) Effective November 1, 1990, a special depth bracket allowable of 460 barrels of oil per day is hereby established for the Tamano-Bone Spring Pool, Eddy County, New Mexico.

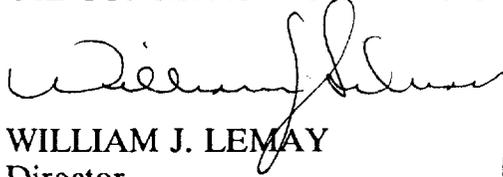
(2) The Division Director may, at any time it appears that reservoir damage is apparent or other evidence of waste occurring, rescind the provisions of the order and cause the top unit allowable for the Tamano-Bone Spring Pool to revert back to 230 barrels of oil per day.

(3) Jurisdiction of this cause is 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