

(OUTPOST-DELAWARE (GAS-OIL RATIO) POOL -
Cont'd.)

(7) To restrict the production of oil from the wells completed in the Outpost-Delaware Pool to the statewide 2000 to one gas-oil ratio limitation would severely affect the economics of further development in the subject pool, and could cause wells which would otherwise be drilled to not be drilled, thereby causing waste.

(8) A special gas-oil ratio limitation of 20,000 cubic feet of gas to one barrel of oil for the Outpost-Delaware Pool will not cause waste not impair correlative rights, and should be approved.

(9) At the hearing the applicant requested that the special gas-oil ratio limitation for the subject pool be made retroactive to either the date of first production from the pool on August 24, 1985, or to the effective date of creation of the pool, November 1, 1985.

(10) The production from each of the wells in the pool has been "high ratio" since the date of completion of the wells, and the special gas-oil ratio should be made effective retroactive to the date of first production being August 24, 1985.

(11) Granting this application for a special gas-oil ratio limitation factor for the Outpost-Delaware Pool with an effective date retroactive to August 24, 1985 will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Effective August 24, 1985, the limiting gas-oil ratio for wells completed in the Outpost-Delaware Pool or in the Delaware formation within one mile thereof shall be 20,000 cubic feet of gas per barrel of oil.

(2) The portion of this case relating to the assignment of a discovery allowable is hereby dismissed.

(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.

FOSTER-SAN ANDRES POOL
(Gas-Oil Ratio)
Lea County, New Mexico

Order No. R-8113, Adopting a Net Gas-Oil Ratio Rule for the Foster-San Andres Pool, Lea County, New Mexico, July 1, 1985.

Application of Anadarko Production Corporation for Special Pool Rules, Lea County, New Mexico.

CASE NO. 8726
Order No. R-8113

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8 a.m. October 9, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 6th day of January, 1986, 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, Anadarko Production Corporation, seeks the establishment of a limiting gas-oil ratio of 5000 cubic feet of gas for each barrel of oil for the Foster-San Andres Pool, Lea County, New Mexico.

(3) The applicant further seeks to have said gas-oil ratio be made effective July 1, 1985.

(4) Said pool is in the final stages of production and the establishment of the requested gas-oil ratio will not result in waste or violation of correlative rights.

(5) No party opposed the proposed retroactive date for said special gas-oil ratio limitation.

IT IS THEREFORE ORDERED THAT:

(1) Effective July 1, 1985, the limiting gas-oil ratio for the Foster-San Andres Pool, Lea County, New Mexico, is hereby established at 5000 cubic feet of gas for each barrel of oil.

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

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

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
Anadarko	EXHIBIT NO. <u>2</u>
CASE NO.	<u>9137</u>