

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. 10562
ORDER NO. R-9744

**APPLICATION OF SIETE OIL AND GAS CORPORATION
FOR SPECIAL POOL RULES, EDDY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 1, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of October, 1992 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, Siete Oil and Gas Corporation, seeks the adoption of special rules and regulations for the Parkway-Delaware Pool, Eddy County, New Mexico, establishing a limiting gas/oil ratio of 5,000 cubic feet of gas per barrel of oil.

(3) The Parkway-Delaware Pool, created and defined by Division Order No. R-8455, as amended, is currently governed by General Statewide Rules and Regulations with a depth bracket allowable of 80 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil which result in a casinghead gas allowable of 160 MCF per day.

(4) Said pool was initially a solution gas drive reservoir discovered in 1987.

(5) Evidence presented at the hearing indicates that at this stage of development, wells in said pool may now be operated at a limiting gas/oil ratio of 5,000 to 1 without creating or causing waste.

(6) There was no opposition by any operator in the area or by any interested party in the pool to increase the gas/oil ratio to 5,000 to 1.

(7) In order to afford the owner of each property in the Parkway-Delaware Pool the opportunity to produce his just and equitable share of oil and gas in the subject pool and for this purpose to use his just and equitable share of the reservoir energy, a limiting gas/oil ratio of 5,000 cubic feet of gas per barrel of liquid hydrocarbons should be established for said pool.

IT IS THEREFORE ORDERED THAT:

(1) Effective October 1, 1992, special rules and regulations for the Parkway-Delaware Pool, Eddy County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS FOR THE
PARKWAY-DELAWARE POOL**

Rule 1: The limiting gas/oil ratio for said Parkway-Delaware Pool shall be 5,000 cubic feet of gas per barrel of oil produced.

(2) 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

S E A L