

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/30/06 08:27:21  
OGOEEM -TQUQ  
PAGE NO: 1

Sec : 04 Twp : 22S Rng : 37E Section Type : NORMAL

Section	Area	Owner									
4	39.91	Fee owned	3	39.86	Fee owned	2	39.80	Fee owned	1	39.75	Fee owned
		A P P			A A A A			A A A A A			A A A A A
E	40.00	Fee owned	F	40.00	Fee owned	G	40.00	Fee owned	H	40.00	Fee owned
		A A A A			A A A A			A A A A			A A A A
L	40.00	Fee owned	K	40.00	Fee owned	J	40.00	Fee owned	I	40.00	Fee owned
		A A			A A			A P A			A A A
M	40.00	Fee owned	N	40.00	Fee owned	O	40.00	Fee owned	P	40.00	Fee owned
		A A			A A A A			A A A A A			A P P

County Lea

Pool Eunice-San Andres

24150

TOWNSHIP 22 South

Range 37 East

NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Ext: NW/4 Sec. 3, NE/4 Sec. 4 (R-11818, 8-26-02) Ext: SW/4 Sec. 3 (R-12531, 3-30-06)

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

Order No. R-4940, Adopting a Gas-Oil Ratio Rule for the Eunice-San Andres Pool, Lea County, New Mexico, February 1, 1975.

Application of Mobil Oil Corporation for a Special Gas-Oil Ratio Limitation, Lea County, New Mexico.

CASE NO. 5381  
Order No. R-4940

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 22nd day of January, 1975, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Mobil Oil Corporation, seeks, as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 5000 cubic feet of gas per barrel of oil in the Eunice-San Andres Pool, Lea County, New Mexico.
- (3) That the Eunice-San Andres Pool is a one-well oil pool in the final stage of depletion.
- (4) That the reservoir characteristics of the subject pool justify the establishment of a gas-oil limitation of 5000 cubic feet of gas per barrel of liquid hydrocarbons.
- (5) That in order to afford to the owner in the Eunice-San Andres Pool the opportunity to economically produce his just and equitable share of the 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 5000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the pool.

IT IS THEREFORE ORDERED:

- (1) That effective February 1, 1975, the limiting gas-oil ratio in the Eunice-San Andres Pool, Lea County, New Mexico, shall be 5000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective February 1, 1975, each proration unit in the Eunice-San Andres Pool shall produce only that volume of gas equivalent to 5000 multiplied by the top unit allowable for the pool.
  - (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 herein-above designated.

WEST PARKWAY-STRAWN GAS POOL  
WEST PARKWAY-ATOKA GAS POOL  
Eddy County, New Mexico

Order No. R-4638, Creating and Adopting Temporary Operating Rules for the West Parkway-Strawn Gas and West Parkway-Atoka Gas Pools, Eddy County, New Mexico, October 11, 1973.

Order No. R-4638-A, November 4, 1974, makes permanent the rules adopted in Order No. R-4638.

Application of The Petroleum Corporation for a Dual Completion, Creation of Two Gas Pools and Special Rules Therefor, Eddy County, New Mexico.

CASE NO. 4976  
Order No. R-4638

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 23, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

(WH\_SEC = 4 and WH\_TWPN = 22 and WH\_RNGN = 37 and PoolNo = 24150)

*Eunice - San Antonio*

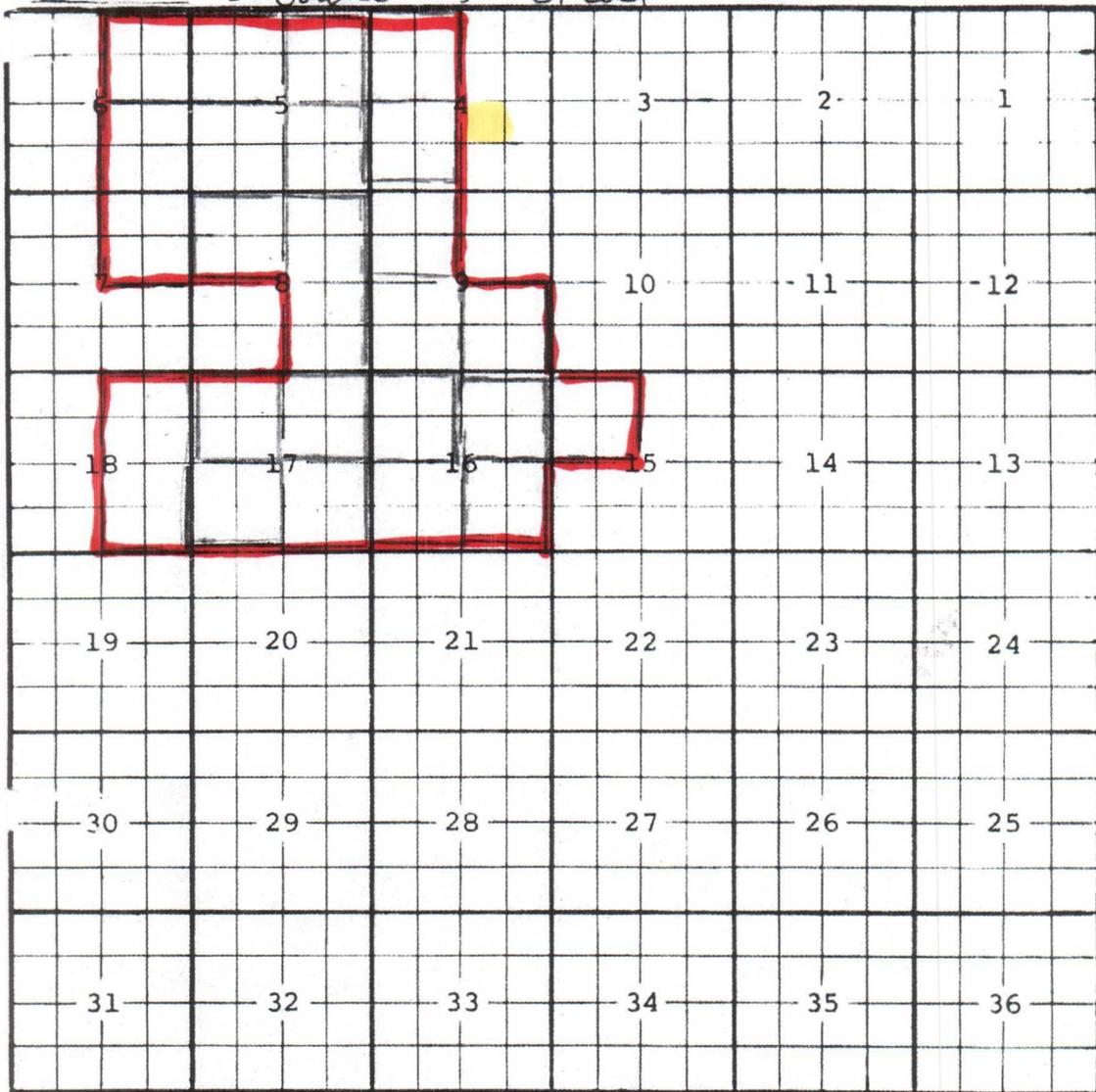
# Well Selection Criteria Quick Print

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft EW	UICPrnt	Lst Insp Dt
30-025-37326-00-00	H CORRIGAN	APACHE CORP	O	A	Lea	P	A	4	22 S	37 E	330 N	940 E		
30-025-35136-00-00	H CORRIGAN	APACHE CORP	O	A	Lea	P	A	4	22 S	37 E	728 N	410 E	DHC-292	3/5/2002
30-025-37654-00-00	H CORRIGAN	APACHE CORP	O	A	Lea	P	B	4	22 S	37 E	430 N	2310 E		
30-025-35137-00-00	H CORRIGAN	APACHE CORP	O	A	Lea	P	B	4	22 S	37 E	936 N	1986 E	DHC-292	1/10/2003
30-025-37750-00-00	RINEWALT	APACHE CORP	O	N	Lea	P	C	4	22 S	37 E	1090 N	1810 W		
30-025-37747-00-00	H CORRIGAN	APACHE CORP	O	A	Lea	P	G	4	22 S	37 E	1500 N	2280 E		
30-025-37264-00-00	H CORRIGAN	APACHE CORP	O	A	Lea	P	H	4	22 S	37 E	1890 N	990 E		10/12/2005

24180

County LEA Pool Southwest Eunice - San Andres

TOWNSHIP 22 South Range 31 East NMPM



Description: NW/4 Sec. 17 (R-6466, 9-10-80)  
 Ext: NW/4 sec. 17 (R-6724, 7-16-81) EXT: SE/4 sec. 17 (R-8901, 4-1-89)  
 EXT: E/2 sec. 18 (R-8772, 11-1-88) EXT: SE/4 sec. 5, E/2 sec. 8 (R-9447, 3-1-91)  
 Ext: NE/4 Sec. 5 (R-9646, 3-11-92) Ext: NW/4 Sec. 16 (R-10588, 4-26-96)  
 Ext: NE/4 Sec. 16 (R-10795, 4-28-97) Ext: SW/4 Sec. 4 (R-10972, 4-13-98)  
 Ext: NW/4 Sec. 8 (R-11243, 9-15-99) Ext: NW/4 Sec. 15, SE/4 Sec. 16 (R-11304, 1-12-00)  
 Ext: SW/4 Sec. 16 (R-11533, 2-8-01) Ext: NW/4 Sec. 9 (R-11633, 8-10-01)  
 Rxt: NW/4 Sec. 4 (R-11728, 2-26-02) Ext: SW/4 Sec. 9 (R-12317, 3-25-05)  
 Ext: NW/4 Sec. 5, NE/4 Sec. 6, SE/4 Sec. 9 (R-12531, 3-30-06) Ext: SW/4 Sec. 5, SE/4 Sec. 6, NW/4 Sec. 7,  
 SW/4 Sec. 17 (R-12600, 7-26-06)

## (NORTH BELL LAKE-DEVONIAN GAS POOL - Cont'd.)

## IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the North Bell Lake-Devonian Gas Pool or in the Devonian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before September 1, 1980.

(2) That, pursuant to Paragraph A. of Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, existing wells in the North Bell Lake-Devonian Gas Pool shall have dedicated thereto 640 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 640 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the North Bell Lake-Devonian Gas Pool or in the Devonian formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That 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.

SOUTHWEST EUNICE-SAN ANDRES POOL  
Lea County, New Mexico

Order No. R-6466, Creating and Adopting Operating Rules for the Southwest Eunice-San Andres Pool, Lea County, New Mexico, September 10, 1980, as Amended by Order No. R-6466-A, September 10, 1980.

Application of Zia Energy, Inc. for Pool Creation, Special Pool Rules, and an NGPA Determination, Lea County, New Mexico.

CASE NO. 6861  
Order No. R-6466

## ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on May 7, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of September, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

## FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Zia Energy, Inc., seeks the creation of a new San Andres oil pool for its State "C" Well No. 1, which is located 1980 feet from the North line and 1982 feet from the West line of Section 17, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and the promulgation of special rules for said pool, including a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil.

(3) That the applicant further seeks a determination that said State "C" Well No. 1 has discovered a new onshore reservoir and should be exempt from the behind-the-pipe exclusion, and that new wells completed in said new reservoir are entitled to the NGPA Section 102 "New Onshore Reservoir" Wellhead Price Ceiling Category, although said reservoir had been penetrated by other wells which penetrated the San Andres formation prior to April 20, 1977, alleging that oil and gas could not have been produced in commercial quantities by such old wells prior to April 20, 1977.

(4) That the evidence establishes that to have plugged back and recompleted one of said wells in the San Andres formation in April, 1977, would have cost \$112,230, and that actual operating costs plus overhead expense during an estimated 15-year life for such a well would total \$273,285.

(5) That the evidence establishes that the estimated oil reserves available to the subject well total 13,406 barrels, and that its gas reserves total some 328,500 Mcf, and that the oil reserves at an April, 1977, stripper oil price of \$13.00 per barrel less 12.5 percent royalty and .075005 percent state taxes have a 1977 value of \$141,055, and that the gas reserves at an April, 1977, price of \$0.62 per Mcf less 12.5 percent royalty and .075005 percent state taxes have a 1977 value of \$164,845, for a total 1977 value for the well's oil and gas reserves of \$305,900.

(6) That using the subject well's reserves and applying the FERC economics test to determine whether an old well which penetrated the San Andres formation could have been economically plugged back and recompleted in the San Andres or whether it should be exempt from the "Behind-the-Pipe" exclusion (market value of the production less 1.6 times development cost plus operating costs) indicates that the economics of such a well would be:

$$\$305,900 - [1.6 (\$112,230) + \$273,285] = -\$146,953$$

(7) That pursuant to the above formula, such recompletion as described above would be an uneconomic venture, and the Behind-the-Pipe exclusion does not apply.

(8) That the engineering and geological evidence presented establishes that applicant's State "C" Well No. 1 is indeed producing oil and gas from a new onshore San Andres reservoir separate and distinct from any other San Andres reservoir, and that the nearest commercial San Andres production is some 2-3/4 miles away.

(9) That a new pool for San Andres production should be created and designated as the Southwest Eunice-San Andres Pool, with vertical limits comprising the San Andres formation and horizontal limits as follows:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NW/4

## (SOUTHWEST EUNICE-SAN ANDRES POOL - Cont'd.)

(10) That a special gas-oil ratio limitation for said pool should be established and a ratio of 5000 cubic feet of gas per barrel of oil is reasonable and should be adopted.

(11) That entry of an order embodying the above findings will prevent waste and protect correlative rights.

## IT IS THEREFORE ORDERED:

(1) That a new San Andres oil pool, discovered by the Zia Energy, Inc., State "C" Well No. 1, located in Unit F of Section 17, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, with perforations from 3830 feet to 3834 feet is hereby created and defined, said pool to bear the designation of Southwest Eunice-San Andres Pool with vertical limits comprising the San Andres formation and horizontal limits as follows:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 17: NW/4

(2) That a special gas-oil ratio limitation of 5000 cubic feet of gas per barrel of oil is hereby established for said Southwest Eunice-San Andres Pool.

(3) (As Added by Order No. R-6466-A, September 10, 1980.) That it is hereby determined that said Southwest Eunice-San Andres Pool is a new onshore reservoir pursuant to the provisions of Section 102 of the Natural Gas Policy Act of 1978 and that the Behind-the-Pipe Exclusion in Section 102(c)(1)(C)(ii) of the NGPA does not apply.

(4) (Renumbered by Order No. R-6466-A, September 10, 1980.) That 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.

PALMILLO-BONE SPRING POOL  
(Gas-Oil Ratio)  
Eddy County, New Mexico

Order No. R-6464, Adopting a Limiting Gas-Oil Ratio for the Palmillo-Bone Spring Pool, Eddy County, New Mexico, September 1, 1980.

Application of Bass Enterprises Production Company for a Special Gas-Oil Ratio Limitation, Eddy County, New Mexico.

CASE NO. 6981  
Order No. R-6464

## ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on August 20, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

## FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Bass Enterprises Production Company, seeks, as an exception to Rule 506 of the Division Rules and Regulations, a limiting gas-oil ratio of 8000 cubic feet of gas per barrel of oil for the Palmillo-Bone Spring Pool, Eddy County, New Mexico.

(3) That the reservoir characteristics of the subject pool justify the establishment of a gas-oil limitation of 8000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owners in the Palmillo-Bone Spring Pool the opportunity to economically produce their just and equitable share of the oil and gas in the subject pool and for this purpose to use their just and equitable share of the reservoir energy, a limiting gas-oil ratio of 8000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the pool.

## IT IS THEREFORE ORDERED:

(1) That effective September 1, 1980, the limiting gas-oil ratio in the Palmillo-Bone Spring Pool, Eddy County, New Mexico, shall be 8000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective September 1, 1980, each proration unit in the Palmillo-Bone Spring Pool shall produce only that volume of gas equivalent to 8000 multiplied by the top unit allowable for the pool.

(2) That 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.

# Well Selection Criteria Quick Print

*Southwest Energy - SA*

(WH\_SEC = 4 and WH\_TWPN = 22 and WH\_RNGN = 37 and PoolNo = 24180)

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-36106-00-00	W M RINEWALT	POGO PRODUCING CO	G	A	Lea	P	E	4	22 S	37 E	1930 N	530 W		3/23/2006
30-025-10034-00-00	RINEWALT	APACHE CORP	O	A	Lea	P	F	4	22 S	37 E	2310 N	2970 E		9/10/2002
30-025-37325-00-00	RINEWALT	APACHE CORP	O	A	Lea	P	F	4	22 S	37 E	2310 N	1650 W		
30-025-10041-00-00	TEXACO E A STICHER	CHEVRON U S A INC	O	A	Lea	P	L	4	22 S	37 E	2310 S	810 W	PLC-243	10/12/2005
30-025-38005-00-00	BRUNSON	RANGE OPERATING NEW MEXI	O	N	Lea	P	O	4	22 S	37 E	990 S	1650 E		



(SAN JUAN BASIN AREA (GAS WELL TESTING RULE  
AMENDMENT - ORDER NO. R-3673) -  
Cont'd.)

and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.

(2) That to obtain the shut-in pressure of a well, subject to the testing requirements of said Order No. R-333-F, under test during the duration of the annual deliverability and shut-in test period for 1969, the well shall be shut in at some time during the year of 1969 for a period of seven to fourteen consecutive days. Such shut-in pressure shall be measured during the eighth to fifteenth day following shutting in of the well.

(3) That each gas transportation facility shall, in cooperation with the operators involved, prepare and submit a schedule of shut-in pressure tests in accordance with Chapter I, Section 3, provided, however, that said schedule need only be submitted prior to the shutting in of the well or wells involved.

(4) That the Aztec District Office of the Commission shall be notified of the date the shut-in pressure of a well is to be measured in order that said measurement may be witnessed.

(5) 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.

SOUTH EUNICE-SAN ANDRES POOL  
Lea County, New Mexico

Order No. R-3706, Adopting Temporary Operating Rules for the South Eunice-San Andres Pool, Lea County, New Mexico, March 12, 1969.

Order No. R-3706-A, March 11, 1970, makes permanent the rules adopted in Order No. R-3706.

Application of Humble Oil & Refining Company for the Creation of a New Oil Pool, Assignment of Discovery Allowable, and the Promulgation of Pool Rules, Lea County, New Mexico.

CASE NO. 4065  
Order No. R-3706

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on March 5, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of March, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Humble Oil & Refining Company, is the owner and operator of the New Mexico State "S" Water Source Well No. 4 (CP-427), located 175 feet from the South line and 650 feet from the West line of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks the reclassification of the aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427) as an oil well for the production of oil from the San Andres formation.

(4) That the applicant further seeks the creation of a new oil pool for San Andres production in Lea County, New Mexico, for its aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427), and the assignment of an oil discovery allowable in the amount of 21,190 barrels to said well.

(5) That the applicant further seeks the promulgation of special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(6) That the evidence presently available indicates that the aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427) has discovered a separate common source of supply which should be designated the South Eunice-San Andres Pool; that the vertical limits of said pool should be the San Andres formation and that the horizontal limits of said pool should be the S/2 SW/4 of said Section 2 and the N/2 NW/4 of Section 11, Township 22 South, Range 37 East, NMPM.

(7) That the aforesaid New Mexico State "S" Water Source Well No. 4 (CP-427) should be reclassified as an oil well for the production of oil from the San Andres formation.

(8) That the discovery well for the aforesaid pool, Humble Oil & Refining Company's New Mexico State "S" Water Source Well No. 4 (CP-427), is entitled to and should receive a bonus discovery oil allowable in the amount of 21,190 barrels, based upon the top perforations in said well at 4238 feet, to be assigned over a two-year period.

(9) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the South Eunice-San Andres Pool.

(10) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(11) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(SOUTH EUNICE-SAN ANDRES POOL - Cont'd.)

(12) That this case should be reopened at an examiner hearing in March, 1970, at which time the operators in the subject pool should be prepared to appear and show cause why the South Eunice-San Andres Pool should not be developed on 40-acre spacing units.

**IT IS THEREFORE ORDERED:**

(1) That the Humble Oil & Refining Company New Mexico State "S" Water Source Well No. 4 (CP-427), located 175 feet from the South line and 650 feet from the West line of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby reclassified as an oil well for the production of oil from the San Andres formation.

(2) That a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated the South Eunice-San Andres Pool, with vertical limits comprising the San Andres formation and horizontal limits comprising the following-described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 2: S/2 SW/4  
Section 11: N/2 NW/4

(3) That the discovery well, the aforesaid Humble Oil & Refining Company New Mexico State "S" Water Source Well No. 4 (CP-427), is hereby authorized an oil discovery allowable of 21,190 barrels to be assigned to said well at the rate of 30 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(4) That temporary Special Rules and Regulations for the South Eunice-San Andres Pool, Lea County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS  
FOR THE  
SOUTH EUNICE-SAN ANDRES POOL**

**RULE 1.** Each well completed or recompleted in the South Eunice-San Andres Pool or in the San Andres formation within one mile thereof, and not nearer to or within the limits of another designated San Andres oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

**RULE 2.** Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2 or S/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

**RULE 3.** The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States

Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

**RULE 4.** Each well shall be located no closer than 330 feet to a quarter-quarter section line.

**RULE 5.** The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

**RULE 6.** A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.00 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

**IT IS FURTHER ORDERED:**

(1) That the locations of all wells presently drilling to or completed in the South Eunice-San Andres Pool or in the San Andres formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 1, 1969.

(2) That each well presently drilling to or completed in the South Eunice-San Andres Pool or in the San Andres formation within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 80 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing in March, 1970, at which time the operators in the subject pool may appear and show cause why the South Eunice-San Andres Pool should not be developed on 40-acre spacing units.

(4) 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.

**SOUTH EUNICE-SAN ANDRES POOL**  
(Gas-Oil Ratio)  
Lea County, New Mexico

Order No. R-4193, Adopting a Temporary Gas-Oil Ratio Rule for the South Eunice-San Andres Pool, Lea County, New Mexico, Effective October 1, 1971.

Application of Anadarko Production Company for the Amendment of the Special Pool Rules for an Existing Pool, Lea County, New Mexico.

CASE NO. 4575  
Order No. R-4193

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on for hearing at 9 a. m. on August 11, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of September, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Anadarko Production Company, has completed in the San Andres formation its Lou Wortham Well No. 6 in Unit E of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, and within the horizontal boundaries of the South Eunice-San Andres Pool.

(3) That the applicant seeks the amendment of the Special Rules and Regulations governing the South Eunice-San Andres Pool to provide for the classification of oil and gas wells, spacing and well location requirements, an allocation formula for withdrawals by oil and gas wells, and the classification of its Lou Wortham Well No. 6 as a gas well in the South Eunice-San Andres Pool.

(4) That the evidence presented to establish that said Lou Wortham Well No. 6 is a gas well is inconclusive.

(5) That the evidence presented to establish that the South Eunice-San Andres Pool is an associated pool is inconclusive.

(6) That the applicant's request for the amendment of the Special Rules and Regulations governing the South Eunice-San Andres Pool to provide for the classification of oil and gas wells, spacing and well location requirements, an allocation formula for withdrawals by oil and gas wells and the classification of its Lou Wortham Well No. 6 as a gas well should be denied.

(7) That the reservoir characteristics of the subject pool are such that a gas-oil ratio limitation of 5000 cubic feet of gas per barrel of oil should be established on a temporary basis for one year in order to allow the operators in the subject pool to gather additional information as to whether or not the Lou Wortham Well No. 6 is indeed a gas well and whether or not the South Eunice-San Andres Pool is indeed an associated pool.

**IT IS THEREFORE ORDERED:**

(1) That the applicant's request for the amendment of the Special Rules and Regulations governing the South Eunice-San Andres Pool to provide for the classification of oil and gas wells, spacing and well location requirements, an allocation formula for withdrawals by oil and gas wells, and the classification of its Lou Wortham Well No. 6 as a gas well in said pool is hereby denied.

(2) That effective, October 1, 1971, the limiting gas-oil ratio of the South Eunice-San Andres Pool, Lea County, New Mexico, shall be 5000 cubic feet of gas for each barrel of oil produced.

(3) That this cause shall be reopened at an examiner hearing in September, 1972, at which time the operators in the subject pool may appear and present evidence as to whether or not the Anadarko Production Company Lou Wortham Well No. 6 located in Unit E of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is in fact a gas well; whether or not the South Eunice-San Andres Pool is in fact an associated reservoir; and whether or not the limiting gas-oil ratio should revert to 2000 cubic feet of gas for each barrel of oil produced.

(4) 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.