

Case 376

MAY 26 1952

APPLICATION
BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO

Comes now Buffalo Oil Company on this 22nd day of May, 1952 and makes application to the Oil Conservation Commission of New Mexico for an order excepting all of its wells in the Maljamar-Paddock Pool, in Eddy County, New Mexico, from the limiting gas-oil ratio established by Rule 506 (a) of the Rules and Regulations of the Commission. As its basis for this application, applicant states:

1. The Maljamar-Paddock Pool was discovered by the applicant in 1950 and the gas-oil ratio limit of 2000 cubic feet per barrel was automatically assigned for the new pool and has been in effect since that time.

2. Since the discovery, only three producing wells, all owned by applicant and all on federal leases, have been drilled and seven dry-hole tests of the Paddock zone have been drilled in the area as shown by the plat attached hereto. The limits of the pool have been defined and established as an extremely small non-commercial accumulation containing a thin pay interval and low permeability.

3. Due to the condition of the pool, which makes it impossible to produce a substantial quantity of oil without the high gas-oil ratio, the limiting ratio causes an undue hardship on the operator and will result in a premature abandonment unless relief is granted.

4. Granting of the application will not result in a waste of gas, inasmuch as all gas produced from the Paddock zone is gathered and processed by the Maljamar Cooperative Repressuring Agreement for the extraction of butane, propane and gasoline and residue gas is injected back into the Maljamar.

WHEREFORE, the applicant respectfully requests that the Commission set this application for public hearing at the June, 1952 hearing of the Commission and that due and proper notice be given as required by law and that the Commission after hearing issue its order granting the application.

BUFFALO OIL COMPANY

By ATWOOD, MALONE & CAMPBELL

By Jack M. Campbell
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