NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico Case 2720 APPLICATION OF TENNECO OIL COMPANY FOR THE ADOPTION OF SPECIAL RULES AND REGULATIONS GOVERNING THE DRILLING. November 15, 1962 CLASSIFICATION, SPACING AND PRO-DUCTION OF WELLS IN THE DOUBLE-X DELAWARE POOL, LEA COUNTY, NEW MEXICO. To: New Mexico Oil Conservation Commission Santa Fe, New Mexico COMES the undersigned, Tenneco Oil Company, and hereby makes application for a hearing and Order adopting special field rules for the Double-X Delaware Pool, Lea County, New Mexico, and respectfully requests that the rules adopted include the following, and such other rules as may be deemed appropriate: Each gas well completed or re-completed in the Double-X Delaware Pool shall be located on a tract consisting of approximately 160 acres, in conformity with Statewide Rule 104. Each oil well completed or recompleted in the Double-X Delaware Pool shall be located on a tract consisting of approximately 40 acres, in accordance with Statewide Rule 104. 3. A well in the Double-X Delaware Pool shall be classified as a gas well if it has a gas-liquid ratio of 30,000 cubic feet of gas per barrel of liquid hydrocarbons, or more. A well in said Pool shall be classified as an oil well if it has a gas-liquid ratio of less than 30,000 cubic feet of gas per barrel of liquid hydrocarbons. The simultaneous dedication of any acreage to both an oil well and a gas well shall be prohibited. The gas-liquid ratio limitation for the Double-X Delaware Pool shall be 2,000 cubic feet of gas per barrel of liquid

hydrocarbons produced.

5. Any oil well in the Double-X Delaware Pool which is located upon any regular spacing unit, shall be permitted to produce an amount of gas determined by multiplying the top unit oil allowable for said pool by the limiting gas-liquid ratio for the pool (2,000).

Any gas well in the Double-X Delaware Pool shall be permitted to produce that amount of gas obtained by multiplying the top unit oil allowable for the pool by 2,000 by a fraction, the numerator of which is the number of acres dedicated to the particular gas well and the denominator of which is 40.

6. Appropriate provisions should be made for any gas well which has an under-produced or over-produced status as of the end of a gas proration period.

Respectfully submitted,

TENNECO OIL COMPANY

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