

**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. 10145 (Reopened)
Order No. R-6368-C**

**IN THE MATTER OF CASE NO. 10145 BEING
REOPENED PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NO. R-6368-B, WHICH
ORDER ESTABLISHED A TEMPORARY GAS-OIL
RATIO LIMITATION OF 4,000 CUBIC FEET OF
GAS PER BARREL OF OIL FOR THE AVALON-
DELAWARE POOL IN EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 25, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of July, 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) By Order No. R-6368-B entered in Case No. 10145 on December 11, 1990, the Division, upon application of Yates Petroleum Corporation, promulgated Temporary Special Rules and Regulations for the Avalon-Delaware Pool, located in portions of Township 20 South, Ranges 27 and 28 East, NMPM, Eddy County, New Mexico, including a provision for a limiting gas-oil ratio of 4,000 cubic feet of gas per barrel of oil.

(3) Pursuant to the provisions of said Order No. R-6368-B, this case was reopened to allow the operators in the subject pool the opportunity to appear and show cause why the limiting gas-oil ratio for the Avalon-Delaware Pool should not revert back to 2,000 cubic feet of gas per barrel of oil.

(3) Yates Petroleum Corporation, one of three operators in the subject pool, appeared at the hearing and presented evidence and testimony in support of the continuation of the current gas-oil ratio limitation.

(4) The evidence presented indicates that the continued production from the subject pool at a gas-oil ratio limitation of 4,000 cubic feet of gas per barrel of oil will not result in reduced ultimate oil recovery and will not result in the excessive and premature dissipation of reservoir energy.

(5) No other operator in the Avalon-Delaware Pool appeared at the hearing in opposition to continuation of the current gas-oil ratio limitation.

(6) Continuation of the current gas-oil ratio limitation will allow the operators the opportunity to produce their just and equitable share of the oil and gas in the subject pool, will not reduce ultimate oil recovery from the pool, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

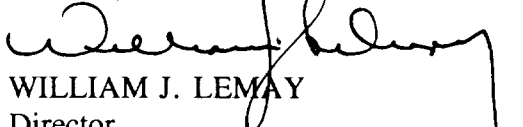
(1) The limiting gas-oil ratio for the Avalon-Delaware Pool in Eddy County, New Mexico, established at 4,000 cubic feet of gas per barrel of oil by Division Order No. R-6368-B, is hereby continued in full force and effect until further notice by the Division.

(2) Jurisdiction is hereby 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