



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

August 30, 1990

Nearburg Producing Company
c/o Campbell & Black, P.A.
P.O. Box 2208
Santa Fe, NM 87504-2208

Case 10166

Attention: William F. Carr

Administrative Order NSL-2855

Dear Mr. Carr:

Reference is made to your application on behalf of Nearburg Producing Company dated August 24, 1990 for a non-standard oil well location for your Western "F" Well No. 1 to be located 2130 feet from the North and West lines (Unit F) of Section 17, Township 16 South, Range 37 East, NMPM, Northeast Lovington Pennsylvanian Pool, Lea County, New Mexico. The S/2 NW/4 of said Section 17 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 5 of the Special Rules and Regulations for the Northeast Lovington Pennsylvanian Pool, as promulgated by Division Order No. R-3816, as amended, the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM State Land Office - Santa Fe

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
RECEIVED
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM, 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-025-30987

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

Western 17F State

1. Type of Well:
OIL WELL GAS WELL OTHER

8. Well No.
1

2. Name of Operator
Nearburg Producing Company

9. Pool name or Wildcat
Lovington-Pennsylvanian, Northeast

3. Address of Operator
P. O. Box 823085, Dallas, Texas 75382-3085

4. Well Location
Unit Letter F : 2130 Feet From The north Line and 2130 Feet From The west Line
Section 17 Township 16S Range 37E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3837.7' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

08/31/90 Spudded well @ 1:30 PM (MST), 8/31/90. Drilled 17-1/2" hole to 397'. Ran 9 jts (400.81') 48#, 13-3/8" casing. Cemented with 425 sx Class C. Circulated 25 sx. WOC 16 hours. Tested casing to 1000# for 30 minutes, held OK. Drilled 11" hole to 4400'.

09/07/90 Ran 1 jt (44.30') 32#, 60 jts (2401.32') 28#, and 45 jts (1967.55') 24#, 8-5/8" casing. Cemented with 1400 sx Pacesetter Lite and 200 sx Class C Neat. Test casing to 1500# for 30 minutes, held OK. Drilled 7-7/8" hole to 11,770' TD.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Machelle Byrum TITLE Production Secretary DATE 10/3/90

TYPE OR PRINT NAME Machelle Byrum TELEPHONE NO. 214/739-1778

(This space for State Use)
APPROVED BY [Signature] DISTRICT 1 SUPERVISOR DATE OCT 17 1990

CONDITIONS OF APPROVAL, IF ANY:

FIELD Lovington-Pennsylvanian, Northeast COUNTY Lea OCC NUMBER _____
 OPERATOR Nearburg Producing Company ADDRESS P. O. Box 31405, Dallas, TX 75231-0405
 LEASE Western 17-F WELL NO. 1
 SURVEY 2130' FNL & 2130' FWL, Sec. 17, T-16-S, R-37-E

RECORD OF INCLINATION

<u>DEPTH (FEET)</u>	<u>ANGLE OF INCLINATION (DEGREES)</u>
396	1/2
874	3/4
1,354	3/4
1,850	1/2
2,143	1/2
2,640	1/2
3,144	3/4
3,613	2 1/2
3,842	2
4,094	1 3/4
4,400	2
4,706	3/4
5,168	1 1/4
5,510	3/4
6,010	1/4
6,311	1/2
6,791	3/4
7,290	3/4
7,760	1
8,258	1 1/4
8,517	1 1/2
8,913	1 1/4
9,422	3 1/2
9,514	3 1/2
9,701	3
9,795	2 3/4
10,096	2 1/2
10,204	2 1/4
10,622	2 1/4
10,965	1 1/2
11,184	1 1/4
11,499	1
11,770	1

OIL CONSERVATION DIVISION
 RECEIVED
 '90 OCT 22 AM 9 35

Certification of personal knowledge inclination data:

I hereby certify that I have personally assembled the data and facts placed on this form, and such information given above is true and complete to the best of my knowledge.

HONDO DRILLING COMPANY

BY: _____

Walter Frederickson, Vice President

Sworn and subscribed to before me the undersigned authority, on this the

5th day of October,

Notary Public in and for Midland County, TX.

Joan Y. Neagle

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies

CONSERVATION DIVISION
 RECEIVED
 State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240
 DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

30-025-30987

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 VB-0364

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK
 b. Type of Well:
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

7. Lease Name or Unit Agreement Name
 Western 17F State

2. Name of Operator
 Nearburg Producing Company

8. Well No.
 1

3. Address of Operator
 P. O. Box 31405, Dallas, Texas 75231-0405

9. Pool name or Wildcat
 Lovington-Pennsylvanian, Northeast

4. Well Location
 Unit Letter F : 2,130 Feet From The north Line and 2,130 Feet From The west Line
 Section 17 Township 16S Range 37E NMPM Lea County

10. Proposed Depth
 12,200'
 11. Formation
 Strawn
 12. Rotary or C.T.
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
 3,837.7' GR
 14. Kind & Status Plug. Bond
 Blanket
 15. Drilling Contractor
 Hondo Drilling Co.
 16. Approx. Date Work will start
 8/22/90

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	48#	350'	400	Circulate
11"	8-5/8"	24 & 32#	4,200'	1,500	Tie into surface
7-7/8"	5-1/2"	17 & 20#	11,800'	550	9,700' string

Propose to drill the well to evaluate the Strawn formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test, and stimulate as necessary to establish production. BOP program is attached.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mildred Simpkins TITLE Production Analyst DATE 8/17/90

TYPE OR PRINT NAME Mildred Simpkins TELEPHONE NO. 214/739-1778

(This space for State Use)

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE AUG 20 1990

CONDITIONS OF APPROVAL, IF ANY: Approved for drilling only--well cannot be produced until unorthodox location has been approved.
 Permit Expires 6 Months From Approval Date Unless Drilling Underway.

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

OIL CONSERVATION DIVISION

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88340

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Denver DD, Artesia, NM 88210

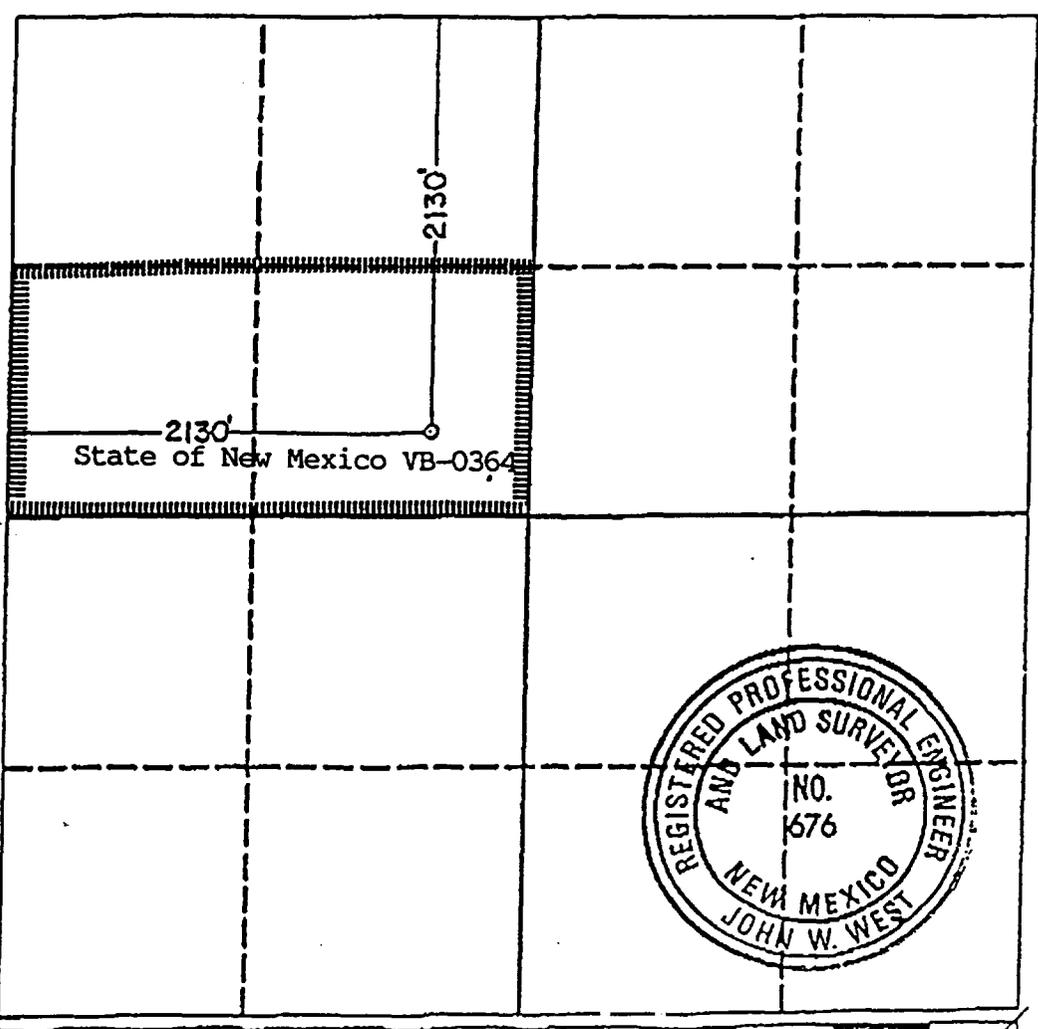
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator NEARBURG PRODUCING CO.			Lease Western 17 F State		Well No. 1
Unit Letter F	Section 17	Township 16 South	Range 37 East	County Lea	
Actual Footage Location of Well: 2130 feet from the North line and 2130 feet from the West line					
Ground level Elev. 3837.7	Producing Formation Strawn		Pool Lovington-Pennsylvanian, Northeast	Dedicated Acreage: 80.00 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or black wax marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forced-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation One Lease
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Jane Oliphant

Printed Name
 Jane Oliphant

Position
 Land Assistant

Company
 Nearburg Producing Co.

Date
 August 17, 1990

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

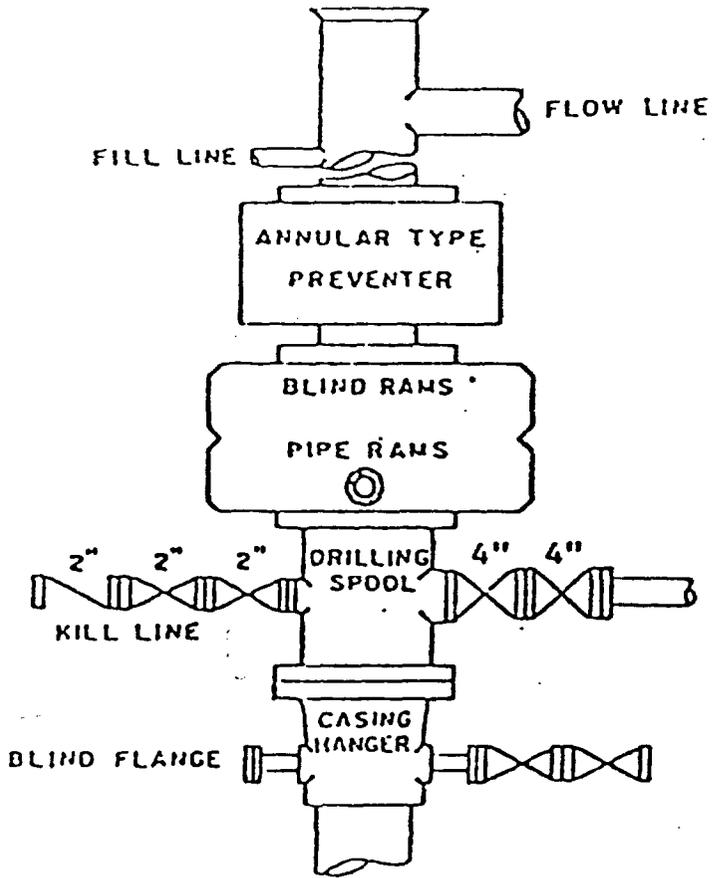
Date Surveyed
 August 16, 1990

Signature & Seal of Professional Surveyor

Ronald J. Eidson

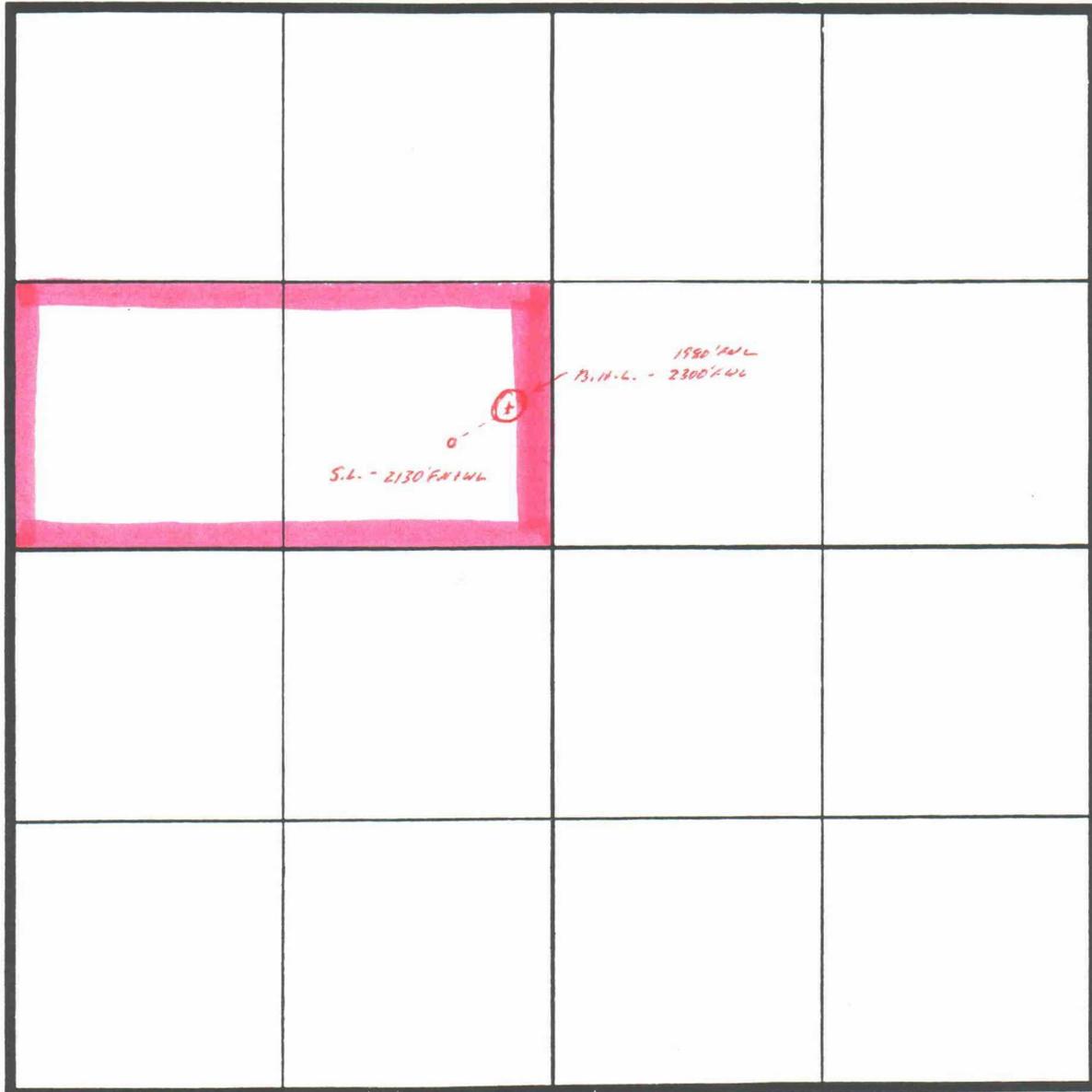
Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3239

BLOWOUT PREVENTER SKETCH
Nearburg Producing Company
WESTERN 17F STATE WELL NO. 1



900 SERIES

Sec. 17 Township No. 16 South of Range No. 37 East



(PRAIRIE, SOUTH-CISCO AND ALLISON, MIDDLE-PENNSYLVANIAN (ORDER NO. R-3806) POOLS - Cont'd.)

(4) That the NW/4 of said Section 28 should not be deleted from the South Prairie-Cisco Pool.

(5) That the Middle Allison-Pennsylvanian Pool should be extended to include all of said Section 29, the SE/4 of said Section 30, and the N/2 of said Section 32.

(6) That the deletion and extensions as described in Findings (3) and (5) above will not violate correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the South Prairie-Cisco Pool, Roosevelt County, New Mexico, are hereby contracted by the deletion therefrom of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 29: NE/4

(2) That the horizontal limits of the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico, are hereby extended to include therein the following-described area:

ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 29: All
Section 30: SE/4
Section 32: N/2

(3) That the location of any well which, by virtue of this extension, is presently drilling to or completed in the Middle Allison-Pennsylvanian Pool or in the Bough "C" zone of the Pennsylvanian formation within one mile thereof is hereby approved; that the operator of any such 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 August 15, 1969.

(4) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of this extension, is subject to the Middle Allison-Pennsylvanian Pool rules providing for 160-acre spacing or proration units, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating 160 acres to said well or to obtain a non-standard unit approved by the Commission. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(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.

NORTHEAST LOVINGTON-PENNSYLVANIAN POOL
Lea County, New Mexico

Order No. R-3816, Creating and Adopting Temporary Operating Rules for the Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, September 1, 1969.

Order No. R-3816-A, August 21, 1970, makes permanent the rules adopted in Order R-3816.

Application of Pennzoil United, Inc., for Special Pool Rules, Lea County, New Mexico.

CASE NO. 4172
Order No. 3816

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 6, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of August, 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, Pennzoil United, Inc., seeks the promulgation of special rules and regulations for the East Lovington-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

(3) That the reservoir information presently available indicates that the horizontal limits of the East Lovington-Pennsylvanian Pool, as presently designated, encompass more than one separate common source of supply.

(4) That the horizontal limits of the East Lovington-Pennsylvanian Pool should, in order to prevent waste and protect correlative rights, be contracted by deleting the following-described lands in Lea County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 18: SE/4
Section 19: All
Section 20: NE/4 and S/2
Section 21: NW/4
Section 29: All
Section 31: N/2 N/2, SW/4 NW/4, SW/4,
and W/2 SE/4
Section 32: N/2 and N/2 S/2
Section 33: N/2 SW/4 and SE/4 SW/4

**(LOVINGTON, NORTHEAST-PENNSYLVANIAN POOL -
Cont'd.)**

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 4: NE/4, E/2 NW/4, and SW/4 NW/4
Section 5: S/2 N/2

(5) That in order to prevent waste and protect correlative rights, a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production should be created and designated the Northeast Lovington-Pennsylvanian Pool, with vertical limits comprising the Pennsylvanian formation and horizontal limits comprising the following-described lands in Lea County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 24: SE/4

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 18: SE/4
Section 19: All
Section 20: NE/4 and S/2
Section 21: NW/4

(6) 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 Northeast Lovington-Pennsylvanian Pool.

(7) 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.

(8) 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.

(9) That this case should be reopened at an examiner hearing in August, 1970, at which time the operators in the subject pool should be prepared to appear and show cause why the Northeast Lovington-Pennsylvanian Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That, effective September 1, 1969, the horizontal limits of the East Lovington-Pennsylvanian Pool, Lea County, New Mexico, are hereby contracted by the deletion therefrom of the following-described lands:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 18: SE/4
Section 19: All
Section 20: NE/4 and S/2
Section 21: NW/4
Section 29: All
Section 31: N/2 N/2, SW/4 NW/4, SW/4,
and W/2 SE/4
Section 32: N/2 and N/2 S/2
Section 33: N/2 SW/4 and SE/4 SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 4: NE/4, E/2 NW/4, and SW/4 NW/4
Section 5: S/2 N/2

(2) That, effective September 1, 1969, a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production, is hereby created and designated the Northeast Lovington-Pennsylvanian Pool, with vertical limits comprising the Pennsylvanian formation and horizontal limits comprising the following-described lands:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 24: SE/4

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 18: SE/4
Section 19: All
Section 20: NE/4 and S/2
Section 21: NW/4

(3) That effective September 1, 1969, temporary Special Rules and Regulations for the Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
NORTHEAST LOVINGTON-PENNSYLVANIAN POOL**

RULE 1. Each well completed or recompleted in the Northeast Lovington-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian 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, S/2, E/2, or W/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 within 150 feet of the center of a governmental quarter-quarter section or lot.

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

(LOVINGTON, NORTHEAST-PENNSYLVANIAN POOL -
Cont'd.)

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 locating 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 6.67 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 Northeast Lovington-Pennsylvanian Pool or in the Pennsylvanian 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 September 1, 1969.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Northeast Lovington-Pennsylvanian Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 80 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the effective 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 Northeast Lovington-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in August, 1970, at which time the operators in the subject pool may appear and show cause why the Northeast Lovington-Pennsylvanian 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.

WEIR-DRINKARD POOL
(Gas-Oil Ratio)
Lea County, New Mexico

Order No. R-4803, Adopting a Gas-Oil Ratio Rule for the Weir-Drinkard Pool, Lea County, New Mexico, July 1, 1974.

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

CASE NO. 5243
Order No. R-4803

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 22, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of June, 1974, 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, Continental Oil Company, seeks, as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil in the Weir-Drinkard Pool, Lea County, New Mexico.

(3) That the reservoir characteristics of the subject pool justify the establishment of a gas-oil limitation of 10,000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That in order to afford to the owner of each property in the Weir-Drinkard Pool the opportunity to 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 10,000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the pool.

IT IS THEREFORE ORDERED:

(1) That effective July 1, 1974, the limiting gas-oil ratio in the Weir-Drinkard Pool, Lea County, New Mexico, shall be 10,000 cubic feet of gas for each barrel of liquid hydrocarbons produced; that, effective July 1, 1974, each proration unit in the Weir-Drinkard Pool shall produce only that volume of gas equivalent to 10,000 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 hereinabove designated.