

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. 8970  
Order No. R-8330-A

IN THE MATTER OF CASE 8970 BEING  
REOPENED PURSUANT TO THE PROVISIONS  
OF DIVISION ORDER NO. R-8330, WHICH  
ORDER ESTABLISHED A LIMITING GAS-OIL  
RATIO FOR THE SANMAL-QUEEN POOL IN  
LEA COUNTY OF 5000 CUBIC FEET OF GAS  
PER BARREL OF OIL FOR A TEMPORARY  
PERIOD OF ONE YEAR.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 18, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of December, 1987, 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-8277, dated August 14, 1986, the Division created and defined a pool for the production of oil from the Queen formation designated as the Sanmal-Queen Pool with horizontal limits consisting of the SE/4 of Section 1, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) By Order No. R-8330, dated October 29, 1986, the Division, upon application of Yates Petroleum Corporation, adopted a limiting gas-oil ratio for the Sanmal-Queen Pool of 5000 cubic feet of gas per barrel of oil for a temporary period of one year.

(4) Under the provisions of said Order No. R-8330, the applicant, who is currently the only operator in the subject pool, was required to appear in the current case and show cause why the subject pool should not be governed by a limiting gas-oil ratio of 2000 cubic feet of gas per barrel of oil.

(5) Although the applicant did not appear at the hearing, evidence in this case in the form of a letter was presented to the Division by the applicant prior to the hearing.

(6) The record in this case indicates that Yates Petroleum Corporation currently operates seven producing wells within the subject pool.

(7) The evidence presented by the applicant and information obtained from the Division's District I Oil Proration Schedule indicate that all of the producing wells in the subject pool are currently producing at or below a gas-oil ratio of 2000 cubic feet of gas per barrel of oil.

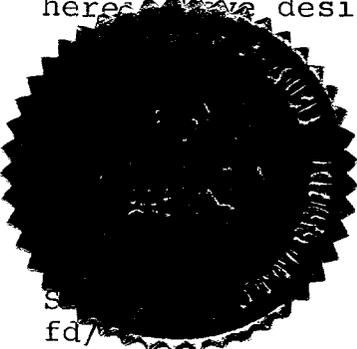
(8) The evidence in this case indicates that in the interest of conservation and the prevention of waste, the limiting gas-oil ratio for the Sanmal-Queen Pool should be reestablished at 2000 cubic feet of gas per barrel of oil.

IT IS THEREFORE ORDERED THAT:

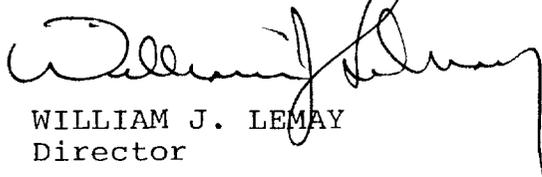
(1) The limiting gas-oil ratio for the Sanmal-Queen Pool in Lea County, New Mexico, is hereby reestablished at 2000 cubic feet of gas per barrel of oil.

(2) 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 hereinafter designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8970  
Order No. R-8330

APPLICATION OF YATES PETROLEUM  
CORPORATION FOR SPECIAL POOL  
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 20, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 29th day of October, 1986, 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 Division Order No. R-8277, dated August 14, 1986, the Division created and defined a pool for the production of oil from the Queen formation designated as the Sanmal-Queen Pool, with horizontal limits consisting of the SE/4 of Section 1, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.
- (3) Said pool is currently governed by general statewide rules and regulations, including a limiting gas-oil ratio of 2000 cubic feet of gas per barrel of oil.
- (4) The applicant, Yates Petroleum Corporation, seeks the adoption of temporary pool rules for said pool for a one-year period establishing a limiting gas-oil ratio of 5,000 cubic feet of gas per barrel of oil.
- (5) The applicant is the owner and operator of the Hoover ADR State Well No. 1, located in Unit I, and the Sweet Thing AEB State Well No. 1 located in Unit J, both in said Section 1,

which are currently the only two producing wells located within said pool.

(6) The applicant presented testimony and evidence that indicates that reservoir energy is derived from a water drive mechanism, and that no gas cap appears to be present within said pool.

(7) Further testimony indicated that approval of the application would enable the applicant to economically justify the drilling of additional wells within said pool which in turn would provide further information about the reservoir characteristics.

(8) Approval of the application will afford the applicant the opportunity to produce its equitable share of the oil and gas within said pool without the waste of reservoir energy, will further enable the applicant to obtain additional reservoir information necessary to establish a permanent gas-oil ratio for the pool, and should be approved for a period of one year.

(9) This case should be reopened at an examiner hearing in November, 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the Sanmal-Queen Pool should not be governed by a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

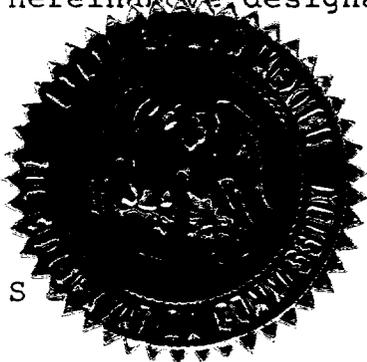
IT IS THEREFORE ORDERED THAT:

(1) Effective November 1, 1986, the limiting gas-oil ratio for the Sanmal-Queen Pool, Lea County, New Mexico, is hereby established at 5,000 cubic feet of gas per barrel of oil for a temporary period of one year.

(2) This case shall be reopened at an examiner hearing in November, 1987, at which time the operators in the subject pool may appear and show cause why the Sanmal-Queen Pool should not be governed by a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

(3) 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  
hereinafter designated.



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STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*R. L. Stamets*  
R. L. STAMETS,  
Director