

**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. 11409 (Reopened)
Order No. R-10504-A**

**IN THE MATTER OF CASE NO. 11409
BEING REOPENED PURSUANT TO
THE PROVISIONS OF DIVISION
ORDER NO. R-10504, WHICH ORDER
CREATED THE SOUTHWEST
BRONCO-WOLFCAMP POOL AND
PROMULGATED TEMPORARY
SPECIAL POOL RULES THEREFOR,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 17, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 7th day of May, 1997, 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-10504 entered in Case No. 11409 on October 24, 1995, the Division, upon application of Maralo Inc., created the Southwest Bronco-Wolfcamp Pool and promulgated temporary special rules and regulations for said pool which include provisions for 80-acre spacing and proration units and designated well location requirements.

(3) Pursuant to the provisions of Division Order No. R-10504, this case is being reopened to allow the operators in the subject pool to appear and present evidence and testimony to show whether the Temporary Special Rules and Regulations for the Southwest Bronco-Wolfcamp Pool should remain in effect.

(4) Maralo Inc. (Maralo), the only operator in the pool at the present time, appeared and presented evidence and testimony to support its request that the Temporary Special Rules and Regulations for the Southwest Bronco-Wolfcamp Pool be made permanent.

(5) The geologic and engineering evidence and testimony presented by Maralo indicates that:

- a) the Southwest Bronco-Wolfcamp Pool is very limited in extent and encompasses only portions of the NE/4 and E/2 NW/4 of Section 20, Township 13 South, Range 38 East;
- b) the applicant currently operates two wells within the Southwest Bronco-Wolfcamp Pool, being the Lowe "20" Well Nos. 1 and 2 located, respectively, in Units B and G of Section 20;
- c) additional development of the Southwest Bronco-Wolfcamp Pool by the applicant includes only a re-entry attempt of a Devonian dry hole within the SE/4 NW/4 of Section 20; and,
- d) the Lowe "20" Well Nos. 1 and 2 are capable of draining areas of approximately 70 and 75 acres, respectively.

(6) No other offset operator and/or interest owner appeared at the hearing to present additional evidence or testimony.

(7) The Temporary Special Rules and Regulations for the Southwest Bronco-Wolfcamp Pool should be made permanent.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Southwest Bronco-Wolfcamp Pool, as promulgated by Division Order No. R-10504, are hereby made permanent.

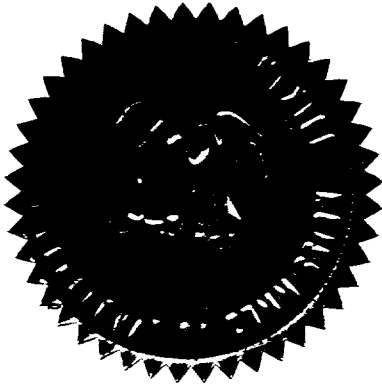
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 11409 (Reopened)

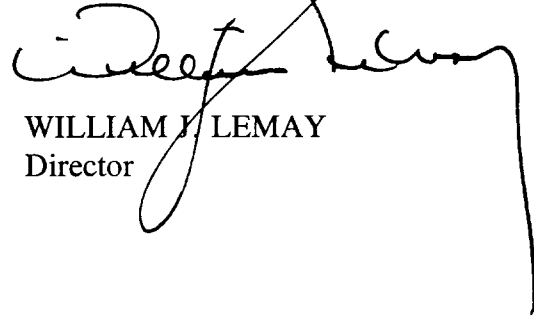
Order No. R-10504-A

Page -3-

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay", written over the printed name and title.

WILLIAM J. LEMAY
Director