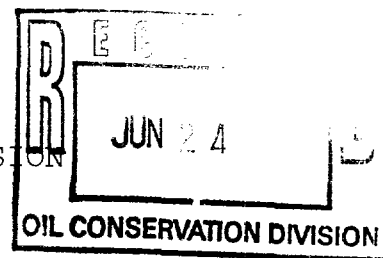


BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION



APPLICATION OF DEVON ENERGY OPERATING
CORPORATION FOR POOL ABOLISHMENT
AND POOL EXPANSION, EDDY COUNTY, NEW MEXICO

No. 11581

APPLICATION

Devon Energy Operating Corporation hereby applies to the Division for an order abolishing the Fren-Seven Rivers Pool, and extending the vertical boundaries of the Grayburg-Jackson Pool to include the interval currently within the Fren-Seven Rivers Pool, and in support thereof states:

1. Applicant owns leasehold working interests and is an operator in the above-described pools.

2. The Fren-Seven Rivers Pool encompasses the following acreage:

Township 17 South, Range 30 East, NMPM

Section 15: $W\frac{1}{2}SW\frac{1}{4}$
Section 21: $S\frac{1}{2}$
Sections 22-27: All
Section 28: $N\frac{1}{2}$

Township 17 South, Range 31 East, NMPM

Section 7: $E\frac{1}{2}SE\frac{1}{4}$
Sections 14-17: All
Section 18: $E\frac{1}{2}NE\frac{1}{4}, S\frac{1}{2}$
Sections 19-23: All
Section 26: $N\frac{1}{2}$
Section 27: $N\frac{1}{2}$
Section 28: $N\frac{1}{2}, N\frac{1}{2}S\frac{1}{2}$
Sections 29-30: All

3. The Grayburg-Jackson Pool encompasses the acreage described in Paragraph 2 above, in addition to additional adjoining acreage.

4. By Order No. R-5011, a copy of which is attached hereto as Exhibit A, the Oil Conservation Commission extended the vertical limits of the Grayburg-Jackson Pool to include the Seven Rivers formation, but excepted the area of the Grayburg-Jackson Pool overlain by the Fren-Seven Rivers Pool.

5. Excluding the Seven Rivers formation from the Grayburg-Jackson Pool in the area of the Fren-Seven Rivers Pool is no longer necessary, and extending the vertical limits of the Grayburg-Jackson Pool to include the Fren-Seven Rivers Pool will simplify operations and encourage secondary recovery in the subject area.

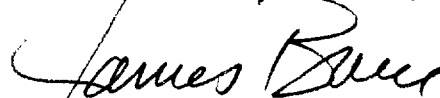
6. Therefore, Applicant requests that the Fren-Seven Rivers Pool be abolished, and that the vertical boundaries of the Grayburg-Jackson Pool be extended to include the interval currently within the Fren-Seven Rivers Pool.

8. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that, after hearing, the above relief be granted.

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY, L.L.P.

A handwritten signature in dark ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5461
Order No. R-5011

APPLICATION OF GENERAL AMERICAN
OIL COMPANY FOR POOL EXTENSION,
EDDY COUNTY, NEW MEXICO.

NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 30, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of May, 1975, 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:

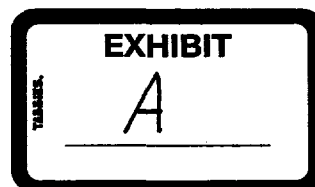
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, General American Oil Company, seeks the extension of the vertical limits of the Grayburg Jackson (Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico, to include the Seven Rivers formation excepting that area of said Grayburg Jackson Pool overlain by the Fren-Seven Rivers Pool.

(3) That the Seven Rivers formation overlying the Grayburg Jackson Pool in the horizontal area of the proposed extension consists of thin porosity and permeability zones often holding marginally economic reserves of hydrocarbons.

(4) That the evidence presented shows that it is uneconomical to attempt to drill to, complete, and produce the subject Seven Rivers formation as a single completion.

(5) That the evidence presented shows that it is uneconomical to attempt to complete the subject Seven Rivers formation dually with the Grayburg Jackson zones.



(6) That the evidence presented shows that the subject Seven Rivers formation can be completed and efficiently and economically produced by extending the vertical limits of the Grayburg Jackson Pool as proposed.

(7) That the nature and conditions of the Seven Rivers and Grayburg Jackson reservoirs and fluids are such that the vertical limits of the Grayburg Jackson Pool may be extended as proposed without causing waste.

(8) That the Fren-Seven Rivers Pool is an old established pool with very low marginal production.

(9) That to avoid problems associated with diverse ownership between existing completions in the Fren-Seven Rivers Pool and the Grayburg Jackson Pool and to maintain historical production statistics, the vertical limits of the Grayburg Jackson Pool should not be extended to include the Seven Rivers formation in that area of said pool overlain by the Fren-Seven Rivers Pool.

(10) That the North Fren Yates-Seven Rivers Associated Pool consisting of the SE/4 and E/2 SW/4 of Section 9, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, should be abolished.

(11) That approval of the subject application will result in the recovery of hydrocarbons which would not otherwise be produced, will prevent waste and will not violate relative rights.

(12) That the application to extend the vertical limits of the Grayburg Jackson Pool as proposed should be approved.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Grayburg Jackson (Queen-Grayburg-San Andres) Pool, as previously established and defined by Commission order, are hereby extended to include the Seven Rivers formation excepting in that area where said pool is overlain by the Fren-Seven Rivers Pool.

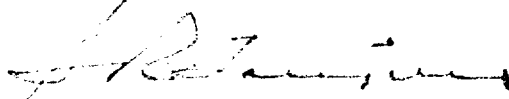
(2) That the North Fren Yates-Seven Rivers Associated Pool is hereby abolished.


(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

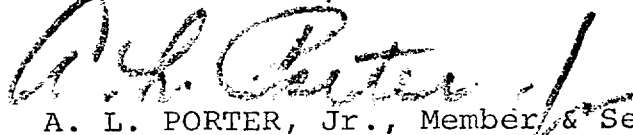
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Case No. 5461
Order No. R-5011

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

dr/