

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. 12036
ORDER NO. R-11083

**APPLICATION OF DEVON ENERGY CORPORATION (NEVADA) FOR AN
UNORTHODOX OIL WELL LOCATION, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 3, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 16th day of November, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) Devon Energy Operating Corporation (Nevada) ["Devon"] is the operator of the Turner "A" (Lease) Grayburg-Jackson Waterflood Project and the Turner "B" (Lease) Grayburg-Jackson Waterflood Project, both established by Division Order No. R-3185, as amended by Orders No. R-3185-A, R-3528, and R-3528-A. The waterflood projects comprise the following described areas in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

(a) Turner "A" (Lease) Grayburg-Jackson Waterflood
Project Area

Section 18: S/2

Section 19: N/2

(b) Turner "B" (Lease) Grayburg-Jackson Waterflood Project Area

Section 17: NW/4 SW/4 and S/2 S/2

Section 20: All
Section 29: All
Section 30: SE/4

(3) The Grayburg-Jackson Pool within both projects is subject to the statewide rules for oil wells set forth in **Rules 104.C(1) and F(1)** which provide for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(4) Devon now seeks approval for a non-standard oil well location for the purpose of completing an efficient production/injection pattern between these two separate waterflood project areas. The proposed Turner "B" Well No. 115 is to be drilled 1050 feet from the North line and 25 feet from the West line (Unit D) of Section 20, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico. The existing 40-acre oil spacing and proration unit comprising the NW/4 NW/4 (Unit D) that is currently dedicated to Devon's Turner "B" Well No. 101 (**API No. 30-015-26695**), located 990 feet from the North line and 1150 feet from the West line of Section 20, is to be simultaneously dedicated to the Turner "B" Well No. 115.

(5) Devon has drilled and completed three other wells on this line over the last 2 ½ years:

- (a) the Turner "A" Well No. 44 (**API No. 30-015-28771**), located 150 feet from the South line and 160 feet from the East line (Unit P) of Section 18, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, approved by Division Administrative Order NSL-3616, dated January 18, 1996;
- (b) the Turner "A" Well No. 51 (**API No. 30-015-28758**), located 2632 feet from the North line and 75 feet from the East line (Unit H) of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, also approved by Division Administrative Order NSL-3616; and
- (c) the Turner "A" Well No. 52 (**API No. 30-015-28795**), located 1335 feet from the South line and 110 feet from the East line (Unit I) of Section 18, approved by Division Administrative Order NSL-3632, dated February 28, 1996.

(6) The allocation of production and the distribution of well costs for the existing Turner "A" Wells No. 44, 51, and 52 and the proposed Turner "B" Well No. 115 should be divided between both leases in a fair and equitable manner.

(7) This case was advertised, "In the absence of objection, this case will be taken under advisement."

(8) No other affected party, owner or operator appeared at the hearing in opposition to this application.

IT IS THEREFORE ORDERED THAT:

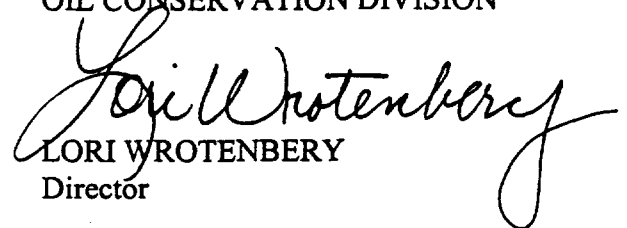
(1) The application of Devon Energy Corporation (Nevada) ["Devon"] to drill its Turner "B" Well No. 115 at an unorthodox oil well location 1050 feet from the North line and 25 feet from the West line (Unit D) of Section 20, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Turner "A" (Lease) Grayburg-Jackson Waterflood Project Area, Eddy County, New Mexico, is hereby approved.

(2) The existing 40-acre oil spacing and proration unit comprising the NW/4 NW/4 (Unit D) that is currently dedicated to Devon's Turner "B" Well No. 101 (API No. 30-015-26695), located 990 feet from the North line and 1150 feet from the West line of Section 20, is to be simultaneously dedicated to the Turner "B" Well No. 115.

(3) Jurisdiction of this case 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERG
Director

SEAL