

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
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JEFFERSON PLACE
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SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

July 21, 1993

HAND-DELIVERED

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

JUL 21 1993
OIL CONSERVATION DIVISION

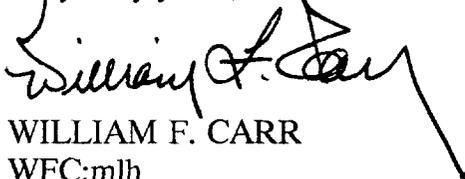
Re: Case 10746:
Application of Devon Energy Corporation for Special Pool Rules, Eddy
County, New Mexico

Dear Mr. Catanach:

Pursuant to your request at the July 15, 1993 hearing on the above-referenced case, I am enclosing a letter and attachment which I received from Dick Morrow, Senior Reservoir Engineer for Devon Energy Corporation. I believe the attachments to Mr. Morrow's letter provide the information you requested at this Examiner hearing.

If you need any additional information from Devon to proceed with your consideration of this application, please advise.

Very truly yours,



WILLIAM F. CARR
WFC:mlh

Enclosure

cc: Dick Morrow, Senior Reservoir Engineer (w/enclosure)
Devon Energy Corporation
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

**DEVON
ENERGY
CORPORATION**

20 North Broadway, Suite 1500 405/235-3611
Oklahoma City, Oklahoma 73102-8260 FAX 405/552-4550

Mr. William F. Carr
PO Box 2208
Santa Fe, New Mexico 87504

July 19, 1993

re: NMOCD Case No. 10746
East Catclaw Draw (Delaware) Pool
Application for Special Pool Rules, 6000:1 GOR Limit

Dear Bill,

As requested by Mr. Catanach at the hearing on July 15, attached is a tabulation of the daily production from the Cactus State #1 well which includes the tubing choke settings. This is the same data as Exhibit No. 6 with the column "CHOKE" added.

Different well conditions including tubing and casing pressure, separator pressure, compressor settings, and other adjustments made by the pumper can affect the producing characteristics of a well. I still feel that Exhibit No. 5 (plot of daily production) clearly shows that the gas production remains fairly constant no matter how the well is adjusted and that reducing the oil production will only bleed off reservoir pressure and thus reduce ultimate oil recovery. This will result in the waste of hydrocarbons.

Also, as presented in Exhibit No. 8, increasing the GOR limit to 6000:1 will provide Devon Energy with the economic incentive to drill additional wells into this reservoir.

Please call if you have any questions.

Sincerely,

Dick Morrow

Dick Morrow
Sr. Reservoir Engineer

Cactus State #1
Section 16-21S-28E
Eddy County, New Mexico

	<u>OIL</u>	<u>GAS</u>	<u>GOR</u>	<u>WATER</u>	<u>TBG PSI</u>	<u>CSG PSI</u>	<u>CHOKE</u>	<u>COMMENTS</u>
3/24/93	128	135	1071	78	155	850	24	
3/25/93	112	135	1205	228	145	600	24	
3/26/93	108	183	1694	109	130	590	24	
3/27/93	58	196	3379	187	145	590	24	
3/28/93	45	189	4200	181	140	560	24	
3/29/93	45	182	4044	155	145	540	24	
3/30/93	81	183	2259	87	135	560	24	
3/31/93	81	185	2284	87	135	560	24	
4/1/93	0	0	0	0		1150		Shut-in for build-up
4/2/93	0	0	0	0	1140	1150		Shut-in for build-up
4/3/93	0	0	0	0		1150		Shut-in for build-up
4/4/93	0	0	0	0		1160		Shut-in for build-up
4/5/93	0	0	0	0	1180	1170		Shut-in for build-up
4/8/93	0	0	0	0	1150	1160		Shut-in for build-up
4/7/93	0	0	0	0	1175	1160		Shut-in for build-up analysis
4/8/93	0	0	0	0	1200	1210		Shut-in for build-up analysis
4/9/93	0	0	0	0	1210	1200		Shut-in for build-up analysis
4/10/93	0	0	0	0	1210	1200		Shut-in for build-up analysis
4/11/93	0	0	0	0	1220	1200		Shut-in for build-up analysis
4/12/93	0	0	0	0	1220	1210		Shut-in for build-up analysis
4/13/93	0	0	0	0				Shut-in for build-up analysis
4/14/93	0	0	0	0	1220	1220		Shut-in for build-up analysis
4/15/93	0	0	0	0				Pulling unit on well
4/16/93	0	0	0	0				Pulling unit on well
4/17/93	0	0	0	0				Pulling unit on well
4/18/93	0	0	0	0				Pulling unit on well
4/19/93	0	0	0	0				Pulling unit on well
4/20/93	0	0	0	0				Pulling unit on well
4/21/93	0	0	0	0				Pulling unit on well
4/22/93	0	0	0	0				Pulling unit on well
4/23/93	0	0	0					Pulling unit on well
4/24/93	110	0	0	239	600	980	26	Flow testing
4/25/93	115	0	0	140	670	920	26	Flow testing
4/26/93	130	0	0	145	710	900	26	Flow testing
4/27/93	120	0	0	125	700	900	26	Flow testing
4/28/93	97	277	2856	10	900	1000	12	Flow testing
4/29/93	53	442	8340	0	940	1010	12	Start Gas Sales
4/30/93	39	431	9999	4	950		12	
5/1/93	108	416	3852	0	950		12	
5/2/93	105	397	3781	1	950		12	

Cactus State #1
Section 18-21S-28E
Eddy County, New Mexico

	<u>OIL</u>	<u>GAS</u>	<u>GOR</u>	<u>WATER</u>	<u>TBG PSI</u>	<u>CSG PSI</u>	<u>CHOKE</u>	<u>COMMENTS</u>
5/3/93	83	414	4988	0	460		12	Shut-in, compressor down
5/4/93	48	219	4563	3	1175		12	Down for 11 hours, compressor down
5/5/93	59	515	8729	1	960		12	
5/6/93	100	542	5420	3	910		12	
5/7/93	100	519	5190	11	910	1050	12	
5/8/93	94	440	4681	8	900	1050	12	
5/9/93	61	517	8475	8	900	1050	12	
5/10/93	93	486	5226	11	900	60	12	
5/11/93	0	0	0	0	1150		12	Shut-in by GCONM, repairing plant
5/12/93	0	0	0	0	1150		12	Shut-in by GCONM, repairing plant
5/13/93	0	0	0	0	1150		12	Shut-in by GCONM, repairing plant
5/14/93	80	537	6713	3	1075	1150	12	
5/15/93	99	544	5495	6	975	1075	12	
5/16/93	80	353	4413	6	1100		12	
5/17/93	61	395	6475	1	960	1150	10	
5/18/93	58	383	6603	0	900			
5/19/93	64	362	5656	2	910		12	
5/20/93	64	424	6625	11	910	1100	12	
5/21/93	94	402	4277	14	875	1050	12	
5/22/93	69	232	3362	14	875	1050	12	
5/23/93	106	549	5179	19	875	1050	12	
5/24/93	61	525	8607	11	875	1050	12	
5/25/93	93	335	3602	0	875		12	CD 4 hrs Fagan
5/26/93	69	519	7522	3	875	1070	12	
5/27/93	90	225	2500	15	900	1070	12	CD 18 hrs - Fagan
5/28/93	94	525	5585	14	80	1025	12	
5/29/93	116	537	4629	16	80	1025	12	
5/30/93	102	243	2382	14	80	1000	12	CD 12 hrs
5/31/93	62	531	8565	0	80	1025	12	
6/1/93	108	537	4972	6	800	1025	12	
6/2/93	68	538	7882	14	875	1025	12	
6/3/93	97	267	2753	17	900	1025	12	CD 16 hrs
6/4/93	80	445	5563	32	860	1025	12	CD 3 hrs
6/5/93	109	177	1624	2	850	1025	12	CD 21 hrs
6/6/93	88	205	2330	11	875		12	CD 19 hrs
6/7/93	100	164	1640	8	875	1025	12	CD 21 hrs
6/8/93	83	161	1940	11	875	1025	12	CD 20 hrs
6/9/93	107	194	1813	28	875		12	CD 18 hrs
6/10/93	111	249	2243	17	875	1025	12	CD 10 hrs
6/11/93	102	511	5010	27	875	1025	12	

Cactus State #1
Section 16-21S-26E
Eddy County, New Mexico

	<u>OIL</u>	<u>GAS</u>	<u>GOR</u>	<u>WATER</u>	<u>TBG PSI</u>	<u>CSG PSI</u>	<u>CHOKE</u>	<u>COMMENTS</u>
6/12/93	68	301	4561	21	850	1000	12	CD 12 hrs
6/13/93	116	537	4629	19	850	1025	12	
6/14/93	89	537	6034	21	875	1025	12	
6/15/93	86	537	6244	14	875	1025		
6/16/93	83	537	6470	19	875	1025		
6/17/93	120	537	4475	5	850	1025		
6/18/93	99	573	5788	11	875	1025		
6/19/93	80	508	6325	5	830	1010		
6/20/93	94	508	5383	17	875	1005		
6/21/93	109	508	4642	19	875	1000		
6/22/93	100	512	5120	19	825	1000		
6/23/93	108	512	4741	11	825	1000		
6/24/93	100	512	5120	13	825	1000		
6/25/93	95	512	5389	14	850	1010		
6/26/93	83	549	6614	19	850	1000		
6/27/93	94	549	5840	14	825	1000		
6/28/93	83	549	6614	19	825	1000		
6/29/93	77	549	7130	13	825	1000		
6/30/93	97	549	5660	19	825	1000		
7/1/93	61	458	7508	8	850	1000		
7/2/93	83	442	5325	17	850	1000	12	CD 2 hrs
7/3/93	97	442	4557	15	840	1000	12	
7/4/93	88	485	5511	17	840	1000	12	
7/5/93	88	464	5273	17	840	1000	12	

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

IN THE MATTER OF THE APPLICATION
OF DEVON ENERGY CORPORATION
FOR SPECIAL POOL RULES,
EDDY COUNTY, NEW MEXICO.

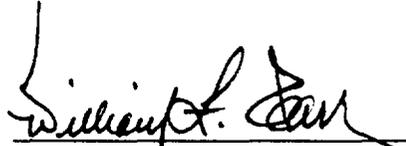
CASE NO. 10746

AFFIDAVIT OF MAILING

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

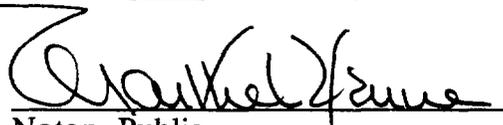
WILLIAM F. CARR, attorney in fact and authorized representative of Devon Energy Corporation, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

Further Affiant sayeth naught.



William F. Carr

SUBSCRIBED AND SWORN to before me this 14th day of July, 1993.



Notary Public

My Commission Expires:

August 19, 1995

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>DEVON</u>	EXHIBIT NO. <u>10</u>
CASE NO. <u>10746</u>	

EXHIBIT A

Fasken Oil & Ranch Interests
303 West Wall, Suite 1900
Midland, TX 79701-5115

Kaiser-Francis Oil Company
Post Office Box 21468
Tulsa, OK 74121-1468

Hallwood Energy Corp.
3710 Rawlins, Suite 1500
Dallas, TX 75219

Chi Energy, Inc.
Post Office Box 1799
Midland, TX 79702-1799

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
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JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 24, 1993

Kaiser-Francis Oil Company
Post Office Box 21468
Tulsa, OK 74121-1468

Re: Amended Application of Devon Energy Corporation for Special Pool Rules,
Eddy County, New Mexico

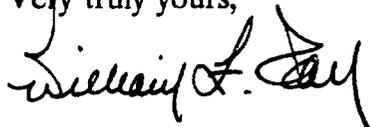
Gentlemen:

This letter is to advise you that Devon Energy Corporation has filed the enclosed amended application with the New Mexico Oil Conservation Division seeking an order promulgating Special Pool Rules and Regulations for the East Catclaw Draw-Delaware Pool including a 6,000 to 1 Gas/Oil Ratio.

This matter has been set for hearing before an Examiner of the Oil Conservation Division on July 15, 1993. You are not required to attend the hearing, but as the owner of an interest that may be affected by this application, you may appear at the hearing and present testimony. Failure to appear at that time or otherwise become a party of record will preclude you from challenging this application at a later date.

Parties appearing in cases before the Division have been requested to file a Pre-hearing Statement substantially in the form prescribed by the Division (Oil Conservation Division Memorandum 2-90). Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR DEVON ENERGY CORPORATION
WFC:mlh
Enclosure

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

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June 24, 1993

Fasken Oil & Ranch Interests
303 West Wall, Suite 1900
Midland, TX 79701-5115

Re: Amended Application of Devon Energy Corporation for Special Pool Rules,
Eddy County, New Mexico

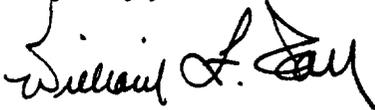
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR DEVON ENERGY CORPORATION

WFC:mlh

Enclosure

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June 24, 1993

Hallwood Energy Corp.
3710 Rawlins, Suite 1500
Dallas, TX 75219

Re: Amended Application of Devon Energy Corporation for Special Pool Rules,
Eddy County, New Mexico

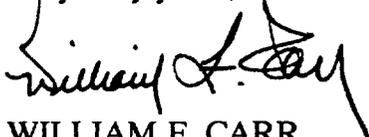
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ATTORNEY FOR DEVON ENERGY CORPORATION
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June 24, 1993

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Post Office Box 1799
Midland, TX 79702-1799

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Eddy County, New Mexico

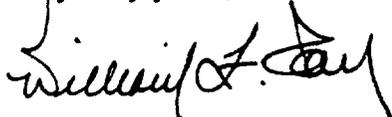
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ATTORNEY FOR DEVON ENERGY CORPORATION
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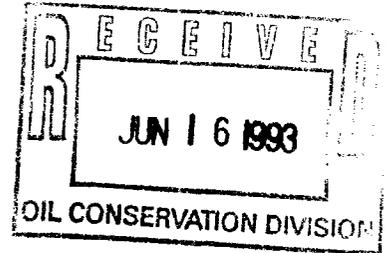
DC

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June 16, 1993

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



Re: Oil Conservation Division Case No. 10746
Application of Devon Energy Corporation for Special Pool Rules, Eddy
County, New Mexico

Dear Mr. LeMay:

Devon Energy Corporation respectfully requests that this matter which is currently set on the Division docket for the June 17, 1993 hearings be continued to the July 15, 1993 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William F. Carr".

WILLIAM F. CARR
WFC:mlh

cc: Mr. Ken Gray



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

August 30, 1993

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10746
ORDER NO. R-9952

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Sally Leichtle".

Sally E. Leichtle
Administrative Secretary

cc: BLM Carlsbad Office