

**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:**

*Reopened
CASE NO. 11773
Order No. R-10854-B*

**IN THE MATTER OF CASE NO. 11773 BEING REOPENED PURSUANT TO
THE PROVISIONS OF DIVISION ORDER NO. R-10854, WHICH ORDER
PROMULGATED TEMPORARY SPECIAL POOL RULES FOR THE WEST
MALJAMAR-DEVONIAN POOL, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 16, 1999, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 29th day of September, 1999, 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) By Order No. R-10854, as amended, entered in Case No. 11773 on August 4, 1997, the Division, upon application of Conoco, Inc., established temporary special pool rules for the West Maljamar-Devonian Pool, Lea County, New Mexico, including provisions for:

- a) standard 160-acre oil spacing and proration units;
- b) designated well location requirements such that wells can be located no closer than 330 feet to any quarter-quarter section line;
- c) a well density limitation such that only one well shall be permitted per 160-acre proration unit; and
- d) a special depth bracket allowable of 900 barrels of oil per day.

(3) Pursuant to the provisions of Division Order No. R-10854, this case was reopened to allow the operators in the subject pool to appear and present evidence as to whether the special pool rules for the West Maljamar-Devonian Pool should remain in effect.

(4) Conoco Inc., the only operator in the West Maljamar-Devonian Pool, appeared at the hearing and presented engineering evidence in this case to support the adoption of the special pool rules on a permanent basis.

(5) Division records and the evidence presented in this case demonstrate that:

- a) the West Maljamar-Devonian Pool currently comprises the SE/4 of Section 17 and the N/2 of Section 20, Township 17 South, Range 32 East;
- b) there are currently two wells completed in the West Maljamar-Devonian Pool, the Conoco Inc. Elvis Well No. 1, the discovery well for the pool located in Unit F of Section 20, and the Conoco Inc. Elvis Well No. 2 located in Unit O of Section 17;
- c) the Elvis Well No. 1 has cumulatively produced 498,700 barrels of oil from the West Maljamar-Devonian Pool and should ultimately recover an additional 102,000 barrels of oil. The Elvis Well No. 1 will effectively drain an area of approximately 160 acres;
- d) the Elvis Well No. 2 has cumulatively produced 56,570 barrels of oil from the West Maljamar-Devonian Pool and is currently being utilized as a pressure observation well. The Elvis Well No. 2 does not exhibit producing characteristics similar to that of the Elvis Well No. 1 due to its penetration of the Devonian formation at a structurally low position in close proximity to the oil-water contact; and
- e) the Elvis Well No. 1 will likely drain this entire Devonian structure and no additional wells will be drilled in this pool.

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

(7) The evidence presented by Conoco Inc. demonstrates that adoption of the special pool rules for the West Maljamar-Devonian Pool on a permanent basis will result in the efficient drainage of reserves, will prevent the drilling of unnecessary wells, will allow the operators the opportunity to produce their just and equitable share of the oil and gas in the pool, will not result in waste, and will not violate correlative rights.

(8) The provisions of Order No. R-10854, as amended, should remain in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The temporary special pool rules for the West Maljamar-Devonian Pool in Sections 17 and 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, are hereby continued in full force and effect until further order of the Division.

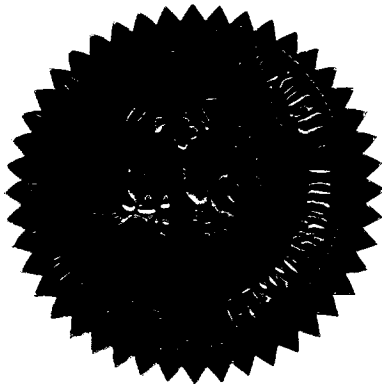
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery

LORI WROTENBERY
Director



S E A L