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. 10670 (Reopened) Order No. R-9912-A

IN THE MATTER OF CASE NO. 10670 BEING REOPENED UPON THE APPLICATION OF MARALO, INC. TO SET AN EFFECTIVE DATE FOR THE TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE NORTHEAST JENKINS-DEVONIAN POOL PROMULGATED BY DIVISION ORDER NO. R-9912.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 15, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of August, 1993, 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-9912 issued in Case No. 10670 on June 15, 1993, the Division, upon application of Maralo, Inc., promulgated Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool, Lea County, New Mexico, including 80-acre spacing and proration units and designated well locations.

(3) The discovery well for the Northeast Jenkins-Devonian Pool was the Maralo, Inc. Barnes "20" Well No. 1 located in Unit C of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(4) The applicant, Maralo, Inc., seeks to reopen this case at this time in order to set an effective date of March 1, 1993, for the Special Rules and Regulations for the Northeast Jenkins-Devonian Pool.

(5) The original application was heard by a Division Examiner on February 18, 1993 and although testimony was presented concerning potential lease expiration in the area, no specific request for an effective date for the Temporary Special Rules and Regulations was made.

(6) The establishment of an effective date of March 1, 1993 as proposed by the applicant will avoid the expiration of a lease in this pool which has been dedicated to the Barnes "20" Well No. 1, will otherwise preserve the equities in the Barnes "20" Well No. 1, and will serve to protect correlative rights.

(7) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(8) The application of Maralo, Inc. for a March 1, 1993 effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool, as promulgated by Division Order No. R-9912, is hereby established as March 1, 1993.

(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 00 WILLIAM J. LEM

WILLIAM J. Director

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