

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:

*NOMENCLATURE*  
*Case No. 10670 (Reopened)*  
*Order No. R-9912-B*

**TEMPORARY SPECIAL POOL RULES FOR THE NORTHEAST JENKINS-  
DEVONIAN POOL, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 9, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 11th day of July 1994, 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) Case No. 10670 was reopened pursuant to the provisions of Division Order No. R-9912 which promulgated temporary special rules and regulations for the Northeast Jenkins-Devonian Pool including a provision for 80-acre spacing. The hearing was reopened to permit operators to show cause why the temporary rules should not be rescinded and the pool developed on 40-acre spacing.
- (3) Maralo, Inc. was the applicant in the original 1993 hearing which resulted in Order R-9912. Maralo presented exhibits and testimony at the June 9, 1994 hearing to support continuation of the temporary rules.
- (4) Devonian isopach and structure maps and a cross-section were presented by Maralo. These showed the Northeast Jenkins-Devonian structure to be relatively small, approximately 400 acres. The exhibits also showed the pool to be separate from other Devonian pools in the area.

(5) The pool is currently developed with two wells, the Barnes "20" Well No.1 completed in September 1992, and the Bonds Well No. 1 completed April 1, 1993. Both are operated by Maralo. Through March 1994 the Barnes "20" Well No.1 had recovered 14,514 barrels of oil and the Bonds Well No.1 had recovered 97,728 barrels.

(6) Data from two nearby Devonian Pools was presented as an indication of the ultimate recovery which may be expected from the Northeast Jenkins-Devonian Pool. The South Crossroads Pool recovered 44.40% of the oil in place and the Bough Pool recovered 38.52%.

(7) Oil in place and recovery calculations for the Bonds Well No.1 using a 42% recovery factor show that the well should recover 375,363 barrels of oil from an 80-acre drainage area. Decline curve analysis using production history indicates the well may recover a total of 408,574 barrels.

(8) Bottom-hole pressure data presented by Maralo indicates the possibility of a waterdrive. Initial shut-in bottom-hole pressure in the Barnes "20" Well No.1 on August 31, 1992 was 4807 PSIA. Shut-in bottom-hole pressure in the Bonds Well No.1 was 4699 PSIA on April 12, 1994.

(9) Maralo requested continued 80-acre spacing and testified that 40-acre spacing would result in the drilling of unnecessary wells. Their witness indicated that three additional wells could be drilled using an 80-acre spacing pattern.

(10) The evidence presented indicates that Maralo's request for continued 80-acre spacing should be approved.

(11) No operator or interest owner appeared at the hearing in opposition to 80-acre spacing for the pool.

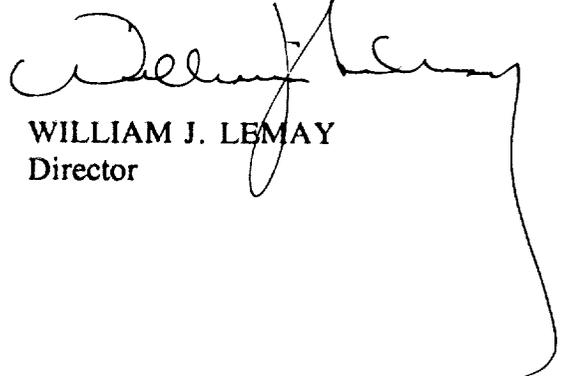
IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool, Lea County, New Mexico, as set out in Decretory Paragraph No.(2), Rules Nos. 1 through 6 of Division Order R-9912 dated June 15, 1993, are hereby made permanent.

(2) Jurisdiction of this cause 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

A handwritten signature in cursive script, appearing to read "William J. Lemay", is written over the typed name and title. The signature is fluid and extends to the right, ending in a long, sweeping tail.

WILLIAM J. LEMAY  
Director

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