

**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. 13751 (Reopened)
ORDER NO. R-12637-A**

**APPLICATION OF ENERGEN RESOURCES CORPORATION FOR
POOL EXTENSION AND THE PROMULGATION OF SPECIAL POOL
RULES FOR THE NORTH BURTNER-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 June 26, 2008 at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 29th day of July, 2008, 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-12637 issued in case No. 13751 on September 19, 2006, the Division extended the North Burtner-Devonian Pool (**Pool Code 97455**) by adding the NW/4 of Section 3 with the acreage consisting of the following described area for the production of oil from the Devonian formation.

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM

Section 3: NE/4, and NW/4

(3) The Division also promulgated Temporary Special Rules and Regulations for the North Burtner-Devonian Pool with the specific stipulation that this case be reopened at an examiner hearing in October 2007, at which time the operator(s) in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the North Burtner-Devonian Pool should not be rescinded and the pool not be developed on statewide 40-acre spacing.

(4) At the hearing, the applicant, Energen Resources Corporation ("Energen" or "applicant"), appeared through legal counsel and recommended to the Division that the 80-acre well spacing and proration unit is no longer justified, and that the well spacing unit revert back to the statewide 40 acres, for the North Burtner-Devonian oil pool in Section 3, Township 15 South, Range 33 East.

(5) The counsel for the applicant also argued that the entirety of the pool is the N/2 of Section 3, and Energen owns and controls one-hundred (100%) percent of the spacing units in the pool, and by reverting back to the statewide 40-acre spacing units, no interest owner or royalty owner's participation in any well is diminished.

(6) The Temporary Special Rules and Regulations for the North Burtner-Devonian oil pool should be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Energen Resources Corporation, the Temporary Special Rules and Regulations for the North Burtner-Devonian oil pool (**Pool Code 97455**) consisting of the following described acreage are hereby abolished, and the pool shall revert back to the statewide 40-acre spacing and proration units.

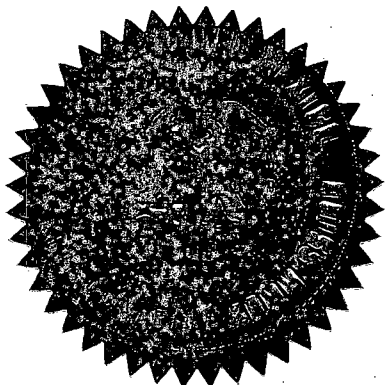
TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM

Section 3: NE/4, and NW/4

(2) This order No. 12637-A supersedes order No. 12637 issued on September 19, 2006.

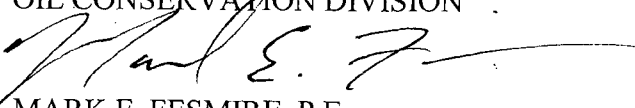
(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


MARK E. FESMIRE, P.E.
Director