

**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. 11581
Order No. R-10654**

**APPLICATION OF DEVON ENERGY OPERATING
CORPORATION FOR ABOLISHMENT OF THE FREN-
SEVEN RIVERS POOL AND EXTENSION OF THE
VERTICAL LIMITS OF THE GRAYBURG-JACKSON
POOL, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 25, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of August, 1996, the Division Director, having considered 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) The applicant, Devon Energy Operating Corporation, seeks to abolish the Fren-Seven Rivers Pool which currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 15: W/2 SW/4
Section 21: S/2
Sections 22 through 27: All
Section 28: N/2

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 7: E/2 SE/4
Sections 14 through 17: All
Section 18: S/2, E/2 NE/4
Sections 19 through 23: All
Section 26: N/2
Section 27: N/2
Section 28: N/2, N/2 S/2
Sections 29 and 30: All

(3) The applicant further seeks to expand the vertical limits of the Grayburg-Jackson Pool within the area currently designated the Fren-Seven Rivers Pool to include the Seven Rivers formation.

(4) Division records indicate that the horizontal limits of the Grayburg-Jackson Pool currently comprise all or portions of Townships 16 and 17 South, and Ranges 28 through 32 East, NMPM, including the area encompassed by the Fren-Seven Rivers Pool described in Finding No. (2) above. Division records further indicate that the vertical limits of the Grayburg-Jackson Pool currently extend from the top of the Seven Rivers formation to the base of the San Andres formation, except in the area encompassed by the Fren-Seven Rivers Pool, in which area the vertical limits extend from the top of the Queen formation to the base of the San Andres formation.

(5) Both the Grayburg-Jackson and Fren-Seven Rivers Pools were created by Division Order No. 850 dated January 1, 1950. The vertical limits of the Grayburg-Jackson Pool originally extended from the top of the Queen formation to the base of the San Andres formation.

(6) By Order No. R-5011 dated May 6, 1975, the Division extended the vertical limits of the Grayburg-Jackson Pool to include the Seven Rivers formation except in the area encompassed by the Fren-Seven Rivers Pool.

(7) The July-December, 1996 Oil Conservation Division Oil Proration Schedule Volume II indicates that there are currently one hundred eighteen (118) wells (including production and injection) within the Fren-Seven Rivers Pool operated by thirteen (13) different operators.

(8) Approximately 50 percent of the wells are located within Wisser Oil Company's Skelly Fren Seven Rivers Waterflood Project.

(9) The applicant currently operates substantial acreage within the Fren-Seven Rivers Pool in Sections 17, 18, 19, 20, 29 and 30.

(10) The applicant seeks to abolish the Fren-Seven Rivers Pool for the following reasons:

- a) the Fren-Seven Rivers Pool is currently a marginally productive reservoir at or nearing its economic limit as evidenced by the fact that the majority of the Fren-Seven Rivers Pool producing wells located on applicant's acreage have been plugged and abandoned;
- b) there is potential for the recovery of additional oil and gas reserves from the Fren-Seven Rivers Pool through secondary recovery operations;
- c) there is potential for the recovery of additional oil and gas reserves from the Grayburg-Jackson Pool within the subject area through the re-institution of secondary recovery operations;
- d) the applicant has determined that conducting separate secondary recovery operations within the Fren-Seven Rivers Pool, which would necessarily require the drilling of numerous wells, is uneconomic;
- e) the abolishment of the Fren-Seven Rivers Pool and concomitant extension of the vertical limits of the Grayburg-Jackson Pool within the subject area will allow the applicant to institute a single secondary recovery project in order to economically recover oil and gas reserves from both reservoirs.

(11) Applicant testified that it is not aware of any split operating rights between the Fren-Seven Rivers Pool and the Grayburg-Jackson Pool within the subject area.

(12) Applicant notified all operators within the Fren-Seven Rivers Pool and the Grayburg-Jackson Pool within the subject area. No operator and/or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the subject application will provide the applicant the opportunity to economically recover additional oil and gas reserves from the Fren-Seven Rivers Pool which may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Devon Energy Operating Corporation, the Fren-Seven Rivers Pool which currently comprises the following described area in Eddy County, New Mexico, is hereby abolished:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 15: W/2 SW/4
Section 21: S/2
Sections 22 through 27: All
Section 28: N/2

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 7: E/2 SE/4
Sections 14 through 17: All
Section 18: S/2, E/2 NE/4
Sections 19 through 23: All
Section 26: N/2
Section 27: N/2
Section 28: N/2, N/2 S/2
Sections 29 and 30: All

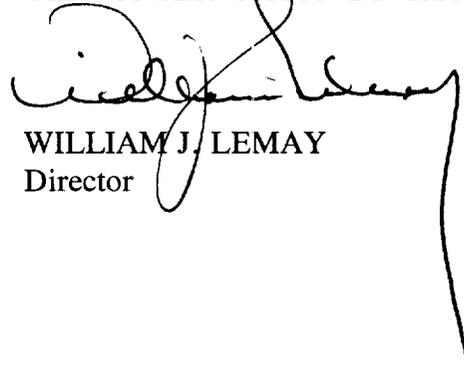
(2) The vertical limits of the Grayburg-Jackson Pool within the area described above are hereby extended to include all formations from the top of the Seven Rivers formation to the base of the Grayburg formation.

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

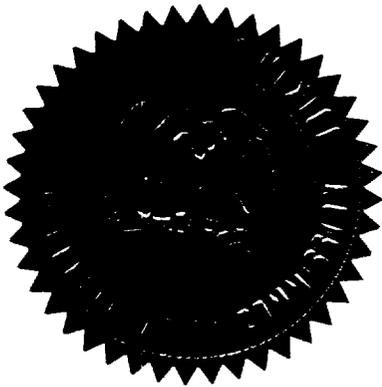
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director



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