

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. 11905
ORDER NO. R-11016

APPLICATION OF DEVON ENERGY CORPORATION (NEVADA) FOR
SIMULTANEOUS DEDICATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 16, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of August, 1998, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice having been given, the Division has jurisdiction of this case and its subject matter.
- (2) The Catclaw Draw-Morrow Gas Pool currently comprises the following described area in Eddy County, New Mexico:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM

| | |
|-------------------------|---------------------------|
| Irregular Section 1: | All |
| Irregular Section 2: | Lots 9 through 16 and S/2 |
| Sections 11 through 14: | All |
| Sections 23 through 28: | All |
| Sections 34 through 36: | All |

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

| | |
|-------------------------|------|
| Sections 17 through 20: | All |
| Section 30: | All. |

- (3) The Catclaw Draw-Morrow Gas Pool is governed by the "*General Rules*

and Regulations for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Catclaw Draw-Morrow Gas Pool," as promulgated by Division Order No. R-8170, as amended, which requires standard 640-acre gas spacing and proration units with wells to be located no closer than 1650 feet from the outer boundary of a proration unit nor closer than 330 feet from any governmental quarter-quarter section or subdivision inner boundary.

(4) Although technically classified as a "Prorated Gas Pool," gas prorationing was suspended in the Catclaw Draw-Morrow Gas Pool by Division Order No. R-10328, issued by the New Mexico Oil Conservation Commission in Case No. 11211 on March 27, 1995, due to the fact that there were no "prorated wells" in the pool.

(5) The New Mexico Oil Conservation Commission found in December, 1997 by Order No. R-10872-B [see Finding Paragraph No. (8)] that in suspending prorationing in the Catclaw Draw-Morrow Gas Pool only the assignment of allowables to spacing and proration units was discontinued and that all other rules, regulations, and policies governing this pool, including the authorization for a second well in each 640-acre spacing unit remained in effect.

(6) The applicant in this matter, Devon Energy Corporation (Nevada), is the operator of an existing standard 650.77-acre gas spacing and proration unit that comprises all of Section 11, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico that is currently dedicated to its: (i) Pure Federal Well No. 1 (API No. 30-015-10768), located at a standard gas well location 2078 feet from the South line and 1892 feet from the West line (Unit G) of Section 11; and, (ii) Pure Federal Well No. 2 (API No. 30-015-23510), located at a previously approved unorthodox gas well location (see Division Administrative Order NSL-1269 and Division Order No. R-4157-D) 1270 feet from the South line and 810 feet from the East line (Unit P) of Section 11.

(7) At this time Devon proposes to drill its Pure Federal Well No. 3 within the 640-acre Catclaw Draw-Morrow gas spacing and proration unit at a standard gas well location 1650 feet from the North and East lines (Unit G) of Section 11 and therefore is seeking an exception to Division General Rule 104.D(3) authorizing the simultaneous dedication of Catclaw Draw-Morrow Gas Pool production from all three wells.

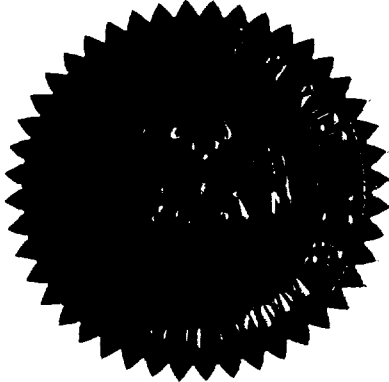
(8) Prior to the April 16, 1998 hearing, the applicant requested this matter be dismissed.

(9) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 11905 is hereby dismissed.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director