

**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. 11279
Order No. R-9035-A**

**APPLICATION OF EXXON CORPORATION,
PURSUANT TO THE PROVISIONS OF
DIVISION ORDER NO. R-9035, TO
RELAX THE CONDITIONS GOVERNING
THE NORTH KING CAMP-DEVONIAN
POOL AND TO ACKNOWLEDGE A
RECENTLY APPROVED FEDERAL UNIT
AREA IN CHAVES COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 4, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 12th day of May, 1995, 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) Oil Conservation Commission Order No. R-9035 entered in Case Nos. 9617 and 9670 (De Novo) on November 2, 1989 established an allowable of 235 barrels of oil per day for the North King Camp-Devonian Pool. This allowable was to be shared in established proportions by three 160-acre oil spacing and proration units, all located in Section 9, Township 14 South, Range 29 East, NMPM, Chaves County, New Mexico. The order further provided that the allowable was to remain in effect until such time as all interest owners in the North King Camp-Devonian Pool entered into a voluntary agreement for the unitized operation of the pool. The order further provided that at such time as the operators entered into a voluntary agreement for the unitized operation of the pool the allowable would be increased to 1,030 barrels of oil per day.

(3) Pursuant to the provisions of Order No. R-9035, the applicant, Exxon Corporation, seeks:

- a) to obtain Division acknowledgment that an agreement recently executed by all interest owners in the subject acreage satisfies the conditions of Division Order No. R-9035; and,
- b) to establish an allowable of 1,030 barrel of oil per day for the North King Camp-Devonian Pool.

(4) In addition to the applicant, Santa Fe Exploration Company and Thornton Operating Corporation, interest owners in the North King Camp-Devonian Pool, appeared through legal counsel at the hearing.

(5) Section 9, Township 14 South, Range 29 East, NMPM, is comprised of three tracts of Federal lands, described as follows:

- a) the NE/4, covered by Federal Lease No. NMNM 77961;
- b) the SE/4, covered by Federal Lease No. NMNM 70402; and,
- c) the W/2, covered by Federal Lease No. NMNM 68078

(6) The applicant submitted to the Division a Unitization Agreement dated effective April 1, 1995, covering the leases described in Finding No. (5) above. The Unitization Agreement was executed by all royalty, overriding royalty and working interest owners within the subject area. The Unitization Agreement was approved by the United States Bureau of Land Management (USBLM) as Contract No. NMNM 91066X (Anchor Deep Unit Area) on April 7, 1995. Pursuant to the terms of the Unitization Agreement, Thornton Operating Corporation is the designated operator of the unit area.

(7) It appears that the Unitization Agreement satisfies the terms of Order No. R-9035.

(8) Effective May 1, 1995, the allowable for the North King Camp-Devonian Pool should be set at 1,030 barrels of oil per day. Further, this allowable may be produced from any well in the pool in any proportion.

(9) Division Order No. R-9035 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

- (1) Division Order No. R-9035 is hereby superseded by this order.
- (2) Effective May 1, 1995, the allowable for the North King Camp-Devonian Pool is hereby set at 1,030 barrels of oil per day. This allowable may be produced from any well in the pool in any proportion.
- (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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director