JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone) (505) 660-6612 (Cell) (505) 982-2151 (Fax)

jamesbruc@aol.com

February 1, 2011

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of an application for pool creation, etc., together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the March 3, 2011 Examiner hearing. Thank you.

Very truly yours,

James Bruce

Attorney for Devon Energy Production Company, L.P.

RECEIVED OCD 2011 FEB - 1 P 12: 47

Case 14609

PERSONS BEING NOTIFIED

Bureau of Land Management

Oil Conservation Division/District Office

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION RECEIVED OCC

APPLICATION OF DEVON ENERGY PRODUCTION 2011 FEB - 1 P 12: 47 COMPANY, L.P. FOR POOL CREATION, A DISCOVERY ALLOWABLE, AND SPECIAL POOL RULES, EDDY COUNTY, NEW MEXICO. Case No. _ /4609

APPLICATION

Devon Energy Production Company, L.P. applies for an order creating a new pool for production of oil from the Bone Spring formation, granting a discovery allowable, and establishing special rules and regulations for the pool, and in support thereof, states:

- 1. Applicant is the operator of the Snapping 10 Fed. Well No. 1 Well (API No. 30-015-37899), which was drilled with a surface location 330 feet from the north line and 1980 feet from the east line, and a bottom hole location of 330 feet from the south line and 1980 feet from the east line, of Section 10, Township 26 South, Range 31 East, Eddy County, N.M.P.M. The W/2E/2 of Section 10 is dedicated to the Snapping 10 Fed. Well No. 1 Well.
- 2. The Snapping 10 Fed. Well No. 1 Well was completed in the Bone Spring formation in the horizontal wellbore, with a TVD of 8600 feet subsurface. Under the Division's statewide rules, spacing in the Bone Spring formation is 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line. The well has a depth bracket allowable of 232 barrels of oil per day for a standard 40 acre oil spacing unit, with a producing gas:oil ratio of 2000:1.
- 3. Applicant believes it has discovered a new common source of supply, and requests that a new pool be created.
 - 4. Applicant requests that:

(a) The Southeast Big Sinks-Bone Spring Pool be created, originally encompassing all of Section 10;

(b) Special rules and regulations for the pool be enacted, providing for a gas:oil ratio of 5,000 cubic feet of gas for each barrel of oil produced.

(c) A discovery allowable be granted for the pool;

(d) All other rules be in conformance with statewide rules; and

(e) The pool rules be made effective retroactive to the date of first Bone Spring production from the Snapping 10 Fed. Well No. 1 Well.

5. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Devon Energy Production Company, L.P.

PROPOSED ADVERTISEMENT

Case No. 14609 :

Application of Devon Energy Production Company, L.P. for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant seeks an order (a) creating a new pool for production of oil from the Bone Spring formation, to be named the Southeast Big Sinks-Bone Spring Pool, comprising all of Section 10, Township 26 South, Range 31 East, N.M.P.M., (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations for the pool, including a gas:oil ratio of 5,000 cubic feet of gas for each barrel of oil produced. The discovery well for the pool is the Snapping 10 Fed. Well No. 1 (API No. 30-015-37899), a horizontal well drilled at a location 330 feet from the north line and 1980 feet from the east line, and a bottom hole location 330 feet from the south line and 1980 feet from the east line, of Section 10. Applicant requests that the pool rules be made effective retroactive to the date of first Bone Spring production from the discovery well. The proposed pool is located approximately 22 miles southeast of Malaga, New Mexico.

RECEIVED OCD