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*Case 15397*

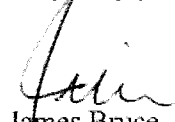
September 29, 2015

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 application to revoke injection authority, together with a proposed advertisement. Please set this matter for the October 29, 2015 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

OXY USA Inc.  
P.O. Box 50250  
Midland, Texas 79710

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. TO REVOKE THE INJECTION  
AUTHORITY GRANTED BY ADMINISTRATIVE  
ORDER SWD-640, LEA COUNTY, NEW MEXICO**

Case No. 15397

**APPLICATION**

Devon Energy Production Company, L.P. ("Devon") applies for an order revoking the injection authority of OXY USA Inc. ("OXY") granted by Administrative Orders SWD-640. In support of its application, Devon states:

1. OXY operates the Diamond 34 State Well No. 1 (API No. 30-025-33387), a salt water disposal well located 990 feet from the South line and 1,650 feet from the West line (Unit Letter N) of Section 34, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
2. On September 4, 1996, the Division issued Administrative Order and Corrected Administrative Order SWD-640 authorizing Pogo Producing Company, OXY's predecessor in title, to use the Diamond 34 State Well No. 1 for the disposal of produced water into the Bell Canyon and Upper Cherry Canyon members of the Delaware Mountain Group at depths from 5,100 feet to 6,516 feet subsurface. The Diamond 34 State Well No. 1 is perforated in the interval from 5,335-5,748 feet subsurface.
3. Devon operates the North Thistle 34 State Com. Well No. 1H (API No. 30-025-42465). The North Thistle 34 State Com. Well No. 1H is a horizontal well with a surface location 330 feet from the South line and 435 feet from the West line of Section 34, Township 22

South, Range 33 East, N.M.P.M., Lea County, New Mexico, and a terminus approximately 330 from the North line and 380 feet from the West line of Section 34.

4. The North Thistle 34 State Com. Well No. 1H was commenced on or about September 1, 2015, and is being drilled to test the Bone Spring formation. It has not been completed.

5. While drilling the North Thistle 34 State Com. Well No. 1H, Devon experienced an abnormally high water pressure at an approximate depth of 1,820 feet subsurface, a distance substantially above the approved injection zone. Devon contacted OXY about the high water pressure, and OXY agreed to shut in the Diamond 34 State Well No. 1 while Devon finishes drilling the North Thistle 34 State Com. Well No. 1H.

6. When OXY stopped injection into the Diamond 34 State Well No. 1, the water pressure at 1,820 feet decreased substantially. As a result, it is possible if not probable that water injected into the Diamond 34 State Well No. 1 is escaping from its approved injection zone.

7. As a result of the increased water pressure, Devon, which owns 100% of the leasehold working interest in Section 34, has delayed plans to drill additional wells in the section.

8. Devon has requested OXY to cease injection into the Diamond 34 State Well No. 1 until the cause of the increased water pressure in Section 34 has been determined, but OXY has refused to do so.

WHEREFORE, Devon requests that, after notice and hearing, the Division enter an order revoking OXY's injection authority under Corrected Administrative Order SWD-640 for the Diamond 34 State Well No. 1, and for such further relief as the Division deems appropriate.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above a horizontal line.

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PROPOSED ADVERTISEMENT

Case No. 15397:

***Application of Devon Energy Production Company, L.P. to revoke injection authority, Lea County, New Mexico.*** Applicant seeks an order revoking injection authority for the Diamond 34 State Well No. 1 (API No. 30-025-33387), a salt water disposal well located 990 feet from the South line and 1,650 feet from the West line (Unit Letter N) of Section 34, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. The authority was granted by Administrative Order and Corrected Administrative Order SWD-640. The well is located approximately 20-1/2 miles southwest of Oil Center, New Mexico.

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