

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR
APPROVAL OF 1264.64-ACRE NON-STANDARD SPACING UNITS IN THE BONE
SPRING AND WOLFCAMP FORMATIONS COMPRISED OF ACREAGE SUBJECT TO
PROPOSED COMMUNITIZATION AGREEMENTS, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Devon Energy Production Company, L.P. ("Devon") through its undersigned attorneys, files this application with the Oil Conservation Division for an order approving 1264.64 acre non-standard spacing units in the Bone Spring and Wolfcamp formations comprised of acreage subject to corresponding Communitization Agreements covering the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. In support of this application, Devon states:

1. Devon (OGRID No. 6137) is the designated operator under a Joint Operating Agreement covering federal and state leases in the Bone Spring and Wolfcamp formations underlying the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. Irregular Section 32 borders the State of Texas.

2. There are two pools within the Bone Spring formation underlying the proposed non-standard spacing unit: The WG-025 G-0652634079; Upper Bone Spring (Pool Code 97892) defined by the Division' District Office as the top of the Bone Spring formation to the top of the First Bone Spring Sand interval, and the Bradley; Bone Spring (Pool Code 7280) defined as the top of the First Bone Spring Sand interval to the base of the Third Bone Spring Sand interval.

3. Within the proposed non-standard spacing unit, Devon has drilled the **Green Wave 20-32 Fed State Com 1H** (30-025-43186) in the WG-025 G-0652634079; Upper Bone Spring Pool and has drilled or permitted the following wells in the deeper Bradley; Bone Spring Pool:

- Green Wave 20-32 Fed State Com 3H (30-025-43184)
- Green Wave 20-32 Fed State Com 15H (30-025-46141)
- Green Wave 20-32 Fed State Com 16H (30-025-46056)
- Green Wave 20-32 Fed State Com 17H (30-025-46057)
- Green Wave 20-32 Fed State Com 18H (30-025-46058)

Devon's drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard project area.

4. There are also two pools within the Wolfcamp formation underlying the proposed non-standard spacing unit: The Bobcat Draw; Upper Wolfcamp (Pool Code 98094) defined by the Division's District Office as the top of the Wolfcamp to a depth of 500 feet, and the Bradley; Wolfcamp (Gas) (Pool Code 72860) defined as the remainder of the Wolfcamp formation.

5. Within the proposed non-standard spacing unit, Devon has permitted the following wells in the Bobcat Draw; Upper Wolfcamp Pool:

- Green Wave 20-32 Fed State Com 2H (30-025-44594)
- Green Wave 20-32 Fed State Com 4H (30-025-46046)
- Green Wave 20-32 Fed State Com 5H (30-025-46047)
- Green Wave 20-32 Fed State Com 6H (30-025-46048)
- Green Wave 20-32 Fed State Com 7H (30-025-46049)
- Green Wave 20-32 Fed State Com 8H (30-025-46050)
- Green Wave 20-32 Fed State Com 9H (30-025-46051)
- Green Wave 20-32 Fed State Com 10H (30-025-46052)
- Green Wave 20-32 Fed State Com 11H (30-025-46053)
- Green Wave 20-32 Fed State Com 12H (30-025-46054)
- Green Wave 20-32 Fed State Com 13H (30-025-46055)
- Green Wave 20-32 Fed State Com 14H (30-025-45746)

Devon's drilling program for this area will develop the Bobcat Draw; Upper Wolfcamp Pool underlying each of the 40-acre tracts comprising the proposed non-standard project area.

6. Devon seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing units.

7. Both the New Mexico State Land Office and the Bureau of Land Management have informed Devon that they prefer and will approve separate Communitization Agreements for the Bone Spring and the Wolfcamp formations underlying the acreage comprising the proposed non-standard spacing units.

8. To allow the existing and permitted wells to be dedicated to the acreage subject to the desired Communitization Agreements, Devon requires approval of corresponding non-standard spacing units in the Bone Spring and Wolfcamp formations.

9. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC and 19.15.16.15.C(7) NMAC.

10. Approval of this application will allow Devon to efficiently locate surface facilities; reduce surface disturbance; consolidate roads, tanks and pipelines; and promote effective well spacing.

11. Notice of this application will be provided as required by Division rules.

12. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 5, 2019, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

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**ATTORNEYS FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

CASE 15953:

Application Of Devon Energy Production Company, L.P., For Approval Of 1264.64-Acre Non-Standard Spacing Units In The Bone Spring And Wolfcamp Formations Comprised Of Acreage Subject To Proposed Communitization Agreements, Lea County, New Mexico.

Applicant in the above-styled cause seeks an order approving 1264.64 acre non-standard spacing units in the Bone Spring and Wolfcamp formations comprised of acreage subject to corresponding Communitization Agreements covering the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. The acreage underlying the proposed non-standard spacing units is subject to the following Division designated pools:

- WG-025 G-0652634079; Upper Bone Spring (Pool Code 97892)
- Bradley; Bone Spring (Pool Code 7280)
- Bobcat Draw; Upper Wolfcamp (Pool Code 98094)
- Bradley; Wolfcamp (Gas) (Pool Code 72860)

The subject area is located approximately 20 miles Southwest of Jal, New Mexico.

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