

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

**APPLICATION OF DEVON ENERGY L.P.  
TO AMEND ORDER R-21460 TO REDUCE  
A 640-ACRE HORIZONTAL SPACING UNIT  
TO A STANDARD 320-ACRE SPACING UNIT,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21563  
ORDER NO. R-21460-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 7, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. On September 21, 2020, OCD issued Order R-21460 to Devon Energy Production Company L.P. (“Devon”) to pool the uncommitted oil and gas interests within a 640 acres spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-21460, Operator decided to sever the 640-spacing unit into two 320-acre horizontal spacing units, and to dedicate the subject well to the W/2 W/2 from the E/2 W/2 of Sections 13 and 24, Township 23 South, Range 31 East, as described in Exhibit A.
3. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
4. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

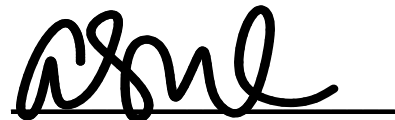
5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator is the owner of an oil and gas working interest within the Unit.
7. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
8. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
9. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.

10. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

**ORDER**

11. The spacing unit created by Order R-21460 is reduced to 320 acres consisting of the W/2 W/2 of Sections 13 and 24, Township 23 South, Range 31 East as described in Exhibit A.
12. If the location of the well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
13. The Operator shall commence drilling the Well within one year after the date of this Order, and complete the Well no later than one (1) year after the commencement of drilling the Well.
14. This Order shall terminate automatically if Operator fails to comply with Paragraph 14 unless Operator obtains an extension by an amendment of this Order for good cause shown.
15. Order R-21460 shall otherwise remain in full force and effect.
16. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**


AES/kms

**Date:** 1/19/2021

## Exhibit “A”

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21563</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 7, 2021</b>	
Applicant	Devon Energy
Designated Operator & OGRID (affiliation if applicable)	<b>6137</b>
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Bora Bora 13-24 Fed Com wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation
Pool Name and Pool Code:	Livingston Ridge; Bone Spring Pool (39350)
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	320-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2 W/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	None
Applicant's Ownership in Each Tract	Exhibit C-4
<b>Well(s)</b>	<b>BEFORE THE OIL CONSERVATION DIVISION</b> Santa Fe, New Mexico Exhibit No. A Submitted by: Devon Energy Production Co. L.P. Hearing Date: January 7, 2021 Case Nos. 21563-21564
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<b>Bora Bora 13-24 Fed Com 212H (30-015-47101)</b> SHL: 250' FSL & 1455' FWL (Unit N) of Section 12 BHL: 20' FSL & 660' FWL (Unit M) of Section 24 Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Horizontal Well First and Last Take Points	Exhibit C-1 (Form C-102)
Completion Target (Formation, TVD and MD)	See Case No. 21389 Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	See Case No. 21389 Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-4
Tract List (including lease numbers and owners)	Exhibit C-4
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	Exhibit C-4
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	See Case No. 21389 Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	See Case No. 21389 Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	See Case No. 21389 Exhibit A-5
Overhead Rates In Proposal Letter	See Case No. 21389 Exhibit A-4

Cost Estimate to Drill and Complete	See Case No. 21389 Exhibit A-4
Cost Estimate to Equip Well	See Case No. 21389 Exhibit A-4
Cost Estimate for Production Facilities	See Case No. 21389 Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	See Case No. 21389 Exhibit B
Spacing Unit Schematic	See Case No. 21389 Exhibit A-2
Gunbarrel/Lateral Trajectory Schematic	See Case No. 21389 Exhibit B-2
Well Orientation (with rationale)	See Case No. 21389 Exhibit B
Target Formation	See Case No. 21389 Exhibit B
HSU Cross Section	See Case No. 21389 Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit C-3
Well Bore Location Map	Exhibit C-2
Structure Contour Map - Subsea Depth	See Case No. 21389 Exhibit B-2
Cross Section Location Map (including wells)	See Case No. 21389 Exhibit B-3
Cross Section (including Landing Zone)	See Case No. 21389 Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	5-Jan-21