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May 20, 2011

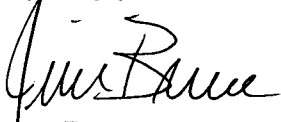
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14672

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of an application for compulsory pooling, etc., together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 23, 2011 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Dorchester Minerals, LP
Suite 300
3738 Oaklawn Drive
Dallas, Texas 75219

Attention: Manette Habert

Jay Petroleum, LLC
Suite 810
2425 West Loop South
Houston, Texas 77027

Attention: Ron Gilberth

Tritex Energy A LP
Suite 500
25455 Dallas Parkway
Addison, Texas 79706

Attention: Jeff Bishop

Joe M. Parsley
10 Waterford Oaks Lane
Kemah, Texas 77565

Jane S. Parker
804 West 29th Street
Austion, Texas 78705

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
APPROVAL OF A NON-STANDARD
OIL SPACING AND PRORATION UNIT
AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

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Case No. 14672

APPLICATION

Devon Energy Production Company, L.P. applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 20, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 20, and has the right to drill a well thereon.
2. Applicant proposes to drill the Rigel 20 Fed. Com. Well No. 1 to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 20 to the well to form a non-standard 160 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well will be a horizontal well, with a surface location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$, and a terminus in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, of Section 20.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 20 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

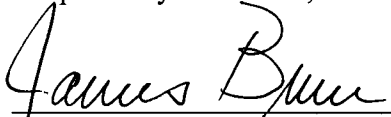
Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation underlying the N½N½ of Section 20, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the N½N½ of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N½N½ of Section 20;
- B. Pooling all mineral interests in the Bone Spring formation underlying the N½N½ of Section 20;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

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. 14672 :

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2N/2 of Section 20, Township 19 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Bone Spring formation underlying the N/2N/2 of Section 20 to form a non-standard 160 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Rigel 20 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location in the NW/4NW/4, with a terminus in the NE/4NE/4, of Section 20. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12-1/2 miles south-southeast of Loco Hills, New Mexico.

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