

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, LEA COUNTY, NEW MEXICO.

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Case No. 14895

APPLICATION

Devon Energy Production Company, L.P. applies for an order (i) approving a non-standard oil spacing and proration unit in the Second Bone Spring Sand comprised of the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Second Bone Spring Sand underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, and has the right to drill a well thereon.
2. Applicant proposes to drill the Roadrunner 6 Fed. Com. Well No. 3 to a depth sufficient to test the Second Bone Spring Sand. Applicant seeks to dedicate the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6 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 SW $\frac{1}{4}$ SE $\frac{1}{4}$, and a terminus in the NW $\frac{1}{4}$ NE $\frac{1}{4}$, of Section 6.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6 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 Second Bone Spring Sand underlying the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6 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 Second Bone Spring Sand comprised of the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6;
- B. Pooling all mineral interests in the Second Bone Spring Sand underlying the W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6;
- 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,



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PROPOSED ADVERTISEMENT

Case No. 14895 :

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Second Bone Spring Sand comprised of the W/2E/2 of Section 6, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Second Bone Spring Sand underlying the non-standard 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 Roadrunner 6 Fed. Com. Well No. 3, a horizontal well to be drilled at a surface location in the SW/4SE/4, with a terminus in the NW/4NE/4, of Section 6. 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 miles south-southwest of Maljamar, New Mexico.

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