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May 12, 2015

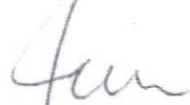
Case 15317

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 for compulsory pooling, *etc.*, together with a proposed advertisement. Please set this matter for the June 11, 2015 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Harold J. Grandi and Elizabeth "Betty"
Ann Grandi, Trustees of the Harold J.
Grandi and Elizabeth "Betty" Ann
Grandi Revocable Trust Agreement
1309 West Thomas Street
Carlsbad, NM 88220

Catherine Shoemaker
3712 Naples Street NE
Albuquerque, NM 87111

Elaine Myers
216 Northwind Drive
El Paso, TX 79912

Marian Crow
6941 East Nightglow Circle
Scottsdale, AZ 85266

Barbara Rennie
1501 Verdel Avenue
Carlsbad, NM 88220

Ronald Maurice Grandi
4111 Grandi Road
Carlsbad, NM 88220

Darla Ramsey Wallace
255 Ivory Road SE
Rio Rancho, NM 87124

Cynthia Short
1626 North Guadalupe Street
Carlsbad, NM 88220

Donald Finley
525 Castlerock Lane
El Paso, TX 79912

Charles Bingman
1213 Sam Corns Road
Lawsonville, NC 27022

Dwayne Bingman
6222 Nat Road
Julian, NC 27283

Steven Bingman
1143 Jewel Road
Danbury, NC 27016

Billy Bingman
2756 Tuttle Road
Walnut Grove, NC 27052

Sherry Guillaume
1410 West Sage Street
Tuscon, AZ 85704

Charlotte Louise Bingman
2708 Tuttle Road
Walnut Grove, NC 27052

Norma Jean Kelly
1701 Mountain Shadow Drive
Carlsbad, NM 88220

First Roswell Company
P.O. Box 1797
Roswell, NM 88202-1797

Keohane, Inc.
P.O. Box 1120
Roswell, NM 88202-1120

The Blanco Company
P.O. Box 25968
Albuquerque, NM 87125

Delores Walterscheid
3226 Tidwell Road
Carlsbad, NM 88220

James G. Gilcrease
1805 San Acacio Street
Las Cruces, NM 88001

Bobbie Gene Gilcrease
P.O. Box 841
Gainesville, TX 76241

James Kirby Read, Jr. individually
and as Personal Representative
of the Estates of Joella Cox, Virginia
Meador, and Lovella Read
HC Box 26346, East Highway 64
Taos, NM 87571

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 15317

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 S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 22, Township 22 South, Range 27 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 S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 22, and has the right to drill a well thereon.
2. Applicant proposes to drill its Grandi 22 Well No. 2H to a depth sufficient to test the Bone Spring formation (Cass Draw-Bone Spring Pool). Applicant seeks to dedicate the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 22 to the well to form a non-standard 160 acre oil spacing and proration unit (project area) in the Bone Spring formation for all pools developed on 40 acre spacing. The well is a horizontal well, with a surface location 1360 feet from the north line and 255 feet from the west line, and a terminus 2265 feet from the north line and 330 feet from the west line, of Section 22. The producing interval will be orthodox.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 22 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

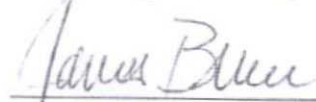
the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the S½N½ of Section 22, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit, and the pooling of all mineral interests underlying the S½N½ of Section 22, 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 S½N½ of Section 22;
- B. Pooling all mineral interests in the Bone Spring formation underlying the S½N½ of Section 22; and
- C. Designating applicant as operator of the well.

Respectfully submitted,



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Attorney for Devon Energy Production
Company, L.P.

PROPOSED ADVERTISEMENT

Case No. 15317:

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2N/2 of Section 22, Township 22 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2N/2 of Section 22 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Grandi 22 Well No. 2H, a horizontal well with a surface location 1360 feet from the north line and 255 feet from the west line, and a terminus 2265 feet from the north line and 330 feet from the west line, of Section 22. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2 miles north-northwest of Otis, New Mexico.

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