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July 21, 2015

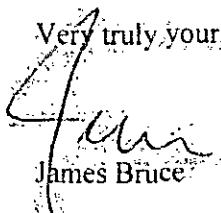
Case 15360

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

Dear Florence:

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 August 20, 2015 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Chi Energy, Inc.
P. O. Box 1799
Midland, TX 79702
Certified Mail #917199-9991-7030-8924-1011

Michael D. Hayes & Kathryn A. Hayes
Co-Trustees of Hayes Revocable Trust
3608 Meadowridge Lane
Midland, TX 79707
Certified Mail #917199-9991-7030-8924-1028

Jami Huber Owen
3325 Providence Drive
Midland, TX 79707
Certified Mail #917199-9991-7030-8924-1035

Locker Brothers
1513 Flintridge Road
Austin, TX 78746
Certified Mail #917199-9991-7030-8924-1042

David H. Essex
P. O. Box 50577
Midland, TX 79710
Certified Mail #917199-9991-7030-8924-1059

Southwest Royalties, Inc.
6 Desta Drive, Suite 1100
Midland, TX 79705-5510
Certified Mail #917199-9991-7030-8924-1066

E. G. Holden Testamentary Trust
8758 Chalk Hill Road
Healdsburg, CA 95448-9542
Certified Mail #917199-9991-7030-8924-1073

Betsy H. Keller
8758 Chalk Hill Road
Healdsburg, CA 95448-9542
Certified Mail #917199-9991-7030-8924-1080

Isaac A. Kawasaki
1232 South King Street
Honolulu, HI 96814-1918
Certified Mail #917199-9991-7030-8924-1097

Frances B. Bunn, Trustee of
Frances B. Bunn Revocable Living Trust
2493 Makiki Heights Drive
Honolulu, HI 96822
Certified Mail #917199-9991-7030-8924-1103

Turtle Creek Trust Company
Trustee of Agnes Cluette Oliver Foundation
3838 Oak Lawn Avenue, Suite 1650
Dallas, TX 75219
Certified Mail #917199-9991-7030-8924-1110

Turtle Creek Trust Company
Trustee of Robert B. Oliver Trust
u/w/o William B. Oliver, deceased
3838 Oak Lawn Avenue, Suite 1650
Dallas, TX 75219
Certified Mail #917199-9991-7030-8924-1127

Turtle Creek Trust Company
Trustee of Judith C. Devine Trust
u/w/o William B. Oliver, deceased
3838 Oak Lawn Avenue, Suite 1650
Dallas, TX 75219
Certified Mail #917199-9991-7030-8924-1134

Fillenwarth & Stolle, LLC
Trustee of Brian D. Woehler Trust
u/w/o William B. Oliver, deceased
9840 Westpoint Drive, Suite 200
Indianapolis, IN 46256
Certified Mail #917199-9991-7030-8924-1141

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210-2118
Certified Mail #917199-9991-7030-8924-1158

J. Frederick Van Vranken
P. O. Box 264
Jericho, NY 11753
Certified Mail #917199-9991-7030-8924-1165

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15360

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 $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11, Township 21 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 N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11, and has the right to drill a well thereon.
2. Applicant proposes to drill its Cedar 11 State Well No. 1H to a depth sufficient to test the Bone Spring formation, and seeks to dedicate the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11 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 1345 feet from the south line and 200 feet from the west line, and a terminus 2055 feet from the south line and 330 feet from the east line, of Section 11.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11 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.

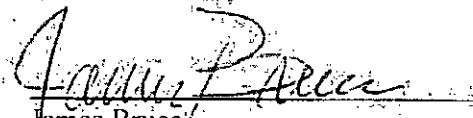
Therefore, applicant seeks an order pooling all mineral interest owners underlying the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11, as set forth above, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11 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 N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11;
- B. Pooling all mineral interests in the Bone Spring formation underlying the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 11;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating its 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. 15360:

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/2S/2 of Section 11, Township 21 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Cedar 11 State Well No. 1H, a horizontal well to be drilled from a surface location in the NW/4SW/4, to a terminus in the NE/4SE/4, of Section 11. 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 6-1/2 miles north-northeast of Carlsbad, New Mexico.

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