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March 31, 2009

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 original and one copy of an application for infill drilling, etc., together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the April 30, 2009 Examiner hearing. Thank you.

Very truly yours,

Attorney for Devon Energy Production Company, L.P.

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Case 143/2

# PERSONS BEING NOTIFIED

Williams Production Company, LLC P.O. Box 3102 Tulsa, Oklahoma 74101

# BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION 1 04 COMPANY, L.P. FOR AN EXCEPTION TO NMAC 19.15.15.10.C TO ALLOW A SECOND WELL ON A WELL UNIT AND FOR AN UNORTHODOX GAS WELL LOCATION, SAN JUAN COUNTY, NEW MEXICO.

O Case No. / 43/2

## **APPLICATION**

Devon Energy Production Company, L.P. applies for an order approving a second well on a well unit, and an unorthodox gas well location, and in support thereof, states:

- 1. Applicant is a working interest owner in and the operator of the Northeast Blanco Unit, which covers, among other acreage, the SE¼ of Section 18, Township 31 North, Range 6 West, N.M.P.M.
- 2. Applicant is the operator of the following wells completed in the Pictured Cliffs formation (Rosa-Pictured Cliffs Gas Pool) within the Northeast Blanco Unit:
  - (a) The Northeast Blanco Unit Well No. 241, located 1425 feet from the south line and 870 feet from the east line of Section 18, Township 31 North, Range 6 West, N.M.P.M. The SE¼ of Section 18 is dedicated to the well;
  - (b) The Northeast Blanco Unit Well No. 223, located 1715 feet from the south line and 1300 feet from the west line of Section 18, Township 31 North, Range 6 West, N.M.P.M. The SW¼ of Section 18 is dedicated to the well;
  - (c) The Northeast Blanco Unit Well No. 224, located 1900 feet from the north line and 1940 feet from the west line of Section 19, Township 31 North, Range 6 West, N.M.P.M. The NW¼ of Section 19 is dedicated to the well; and

- (d) The Northeast Blanco Unit Well No. 333, located 1780 feet from the north line and 1930 feet from the east line of Section 19, Township 31 North, Range 6 West, N.M.P.M. The NE¼ of Section 19 is dedicated to the well.
- 3. The Rosa-Pictured Cliffs Gas Pool is developed on statewide rules, with 160 acre spacing, one well per well unit, and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to an interior quarter-quarter section line.
- 4. Applicant also operates the Northeast Blanco Unit Well No. 321, located 835 feet from the south line and 2475 feet from the east line of Section 18, Township 31 North, Range 6 West, N.M.P.M. This well is currently completed in the Mesaverde and Dakota formations, and the E½ of Section 18 is dedicated to the well.
- 5. Applicant proposes to re-enter the Northeast Blanco Unit Well No. 321, perforate and fracture stimulate the Pictured Cliffs zone, place the well on production, and obtain data to determine the extent of drainage, if any, from the offsetting Pictured Cliffs wells described in paragraph 2 above.
- 6. Applicant seeks to simultaneously dedicate production from the Pictured Cliffs formation in the SE¼ of Section 18 to the Northeast Blanco Unit Well Nos. 241 and 321, and to produce both wells concurrently.
- 7. Applicant further requests approval of an unorthodox location in the Pictured Cliffs formation for the Northeast Blanco Unit Well No. 321.
  - 8. The granting of this application will prevent waste and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order granting the relief requested above.

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. \_ / 43 | @ :

Application of Devon Energy Production Company, L.P. for an exception to NMAC 19.15.15.10.C to allow a second well on a well unit and for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks approval to re-enter its Northeast Blanco Unit Well No. 321, located 835 feet from the south line and 2475 feet from the east line of Section 18, Township 31 North, Range 6 West, N.M.P.M., and complete it in the Pictured Cliffs formation (Rosa-Pictured Cliffs Gas Pool) as an infill well in an existing 160 acre gas spacing unit comprising the SE/4 of Section 18. Applicant further seeks to simultaneously dedicate production from the Pictured Cliffs formations in the SE/4 of Section 18 to the Northeast Blanco Unit Well No. 321 and to the existing Northeast Blanco Unit Well No. 241, located 1425 feet from the south line and 870 feet from the east line of Section 18, and approval of an unorthodox location in the Pictured Cliffs formation for the Northeast Blanco Unit Well No. 321. The unit is located approximately 13 miles northeast of Archuleta, New Mexico.

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