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August 17, 2010

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

Case 14546

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of an application for an infill drilling project, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 16, 2010 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Williams Production Company, LLC

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR APPROVAL OF A PILOT INFILL
DRILLING PROJECT IN THE PICTURED CLIFFS
FORMATION IN A PORTION OF THE NORTHEAST
BLANCO UNIT, AND FOR SPECIAL WELL LOCATION
REQUIREMENTS, RIO ARRIBA AND SAN JUAN
COUNTIES, NEW MEXICO.

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Case No. 14546

APPLICATION

Devon Energy Production Company, L.P., for its application, states:

1. Applicant is a working interest owner in, and the operator of, the Northeast Blanco Unit (the "Unit"), which covers approximately 32,991 acres of land in Rio Arriba and San Juan Counties, New Mexico.
2. The Pictured Cliffs formation within the Unit is developed on statewide rules, which provide for 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.
3. Applicant previously received Division approval to recomplete 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., as an infill well in the Pictured Cliffs formation. The results of that well indicate the feasibility of drilling additional Pictured Cliffs infill wells within the Unit.
4. Applicant proposes the formation of a project area comprised of the following lands, all located within the Unit:

Township 31 North, Range 6 West, N.M.P.M.

Section 6:	All
Section 7:	All
Sections 18-20:	All

Section 30: All

Township 31 North, Range 7 West, N.M.P.M.

Section 1: All

Section 10: S½

Sections 11-15: All

Section 22-27: All

Sections 34-36: All

A plat outlining the project area is attached hereto as Exhibit A.

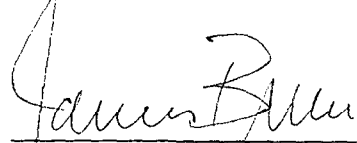
6. Applicant seeks approval to drill two wells per quarter section within the project area, and to produce both wells concurrently.

7. A portion of the above-described acreage is within the Pictured Cliffs Participating Area for the Unit. Applicant further requests that, within the Participating Area, as it may be expanded from time to time, it be allowed to drill wells no closer than 660 feet from the outer boundary of the Participating Area, and no closer than 10 feet to a section, quarter section, or quarter-quarter section line (subject to the formation of project areas under the Division's horizontal drilling rules).

8. The granting of this application will prevent waste and protect correlative rights.

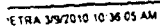
WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order granting the relief requested above.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Devon Energy Production
Company, L.P.



EXHIBIT

PROPOSED ADVERTISEMENT

Case No. 14546:

Application of Devon Energy Production Company, L.P. for approval of a pilot infill drilling project in the Pictured Cliffs formation in a portion of the Northeast Blanco Unit, and for special well location requirements, Rio Arriba and San Juan Counties, New Mexico.

Applicant seeks approval to institute a pilot infill drilling project in the Pictured Cliffs formation in a portion of the Northeast Blanco Unit. Applicant further seeks to approval of two wells in a standard 160 acre gas spacing unit in the project area, and for special well location requirements within the Northeast Blanco Unit Pictured Cliffs Participating Area, which is within the proposed project area. The project area comprises all of Sections 6, 7, 18-20, and 30 in Township 31 North, Range 6 West, N.M.P.M., and all of Section 1, the N/2 of Section 10, and all of Sections 11-15, 22-27, and 34-36, Township 31 North, Range 7 West, N.M.P.M. The project area is centered approximately 12 miles northeast of Archuleta, New Mexico.

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