

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 14569

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
DESIGNATION OF A NON-STANDARD
SPACING UNIT AND FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 14570

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
DESIGNATION OF A NON-STANDARD
SPACING UNIT AND FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

ORDER NO. R-13395

ORDER OF THE DIVISION

BY THE DIVISION:

These cases came on for hearing at 8:15 a.m. on April 28, 2011, at Santa Fe, New Mexico, before Examiner David K. Brooks.

NOW, on this 5th day of May, 2011, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due notice has been given, and the Division has jurisdiction of the subject matter of these cases.
- (2) These cases were consolidated for hearing. In view of the disposition being made, a single Order will be issued for both cases.

(3) In Case No. 14569 Devon Energy Production Company, L.P. ("Applicant"), seeks approval of a non-standard 160-acre oil spacing and proration unit and project area ("the Unit") in the Bone Spring formation consisting of the N/2 of the N/2 of Section 15, Township 18 South, Range 32 East, NMPM, in Lea County, New Mexico. Applicant further seeks an order pooling all uncommitted interests in the Unit in the Bone Spring formation.

(4) Applicant further asks that the Unit proposed in Case No. 14569 be dedicated to the West Shinnery 15 Federal Well No. 2H ("the proposed well"), a horizontal well to be drilled from a standard surface location 660 feet from the North line and 330 feet from the East line (Unit A) of Section 15. The well will penetrate the Bone Spring formation at a standard oil well location and continue horizontally in the Bone Spring to a standard terminus, or bottomhole location, 660 feet from the North line and 330 feet from the West line (Unit D) of Section 15. Applicant asks that it be designated operator of the proposed well and Unit in Case No. 14569.

(5) In Case No. 14570 Applicant seeks approval of a non-standard 160-acre oil spacing and proration unit and project area ("the Unit") in the Bone Spring formation consisting of the S/2 of the N/2 of Section 15, Township 18 South, Range 32 East, NMPM, in Lea County, New Mexico. Applicant further seeks an order pooling all uncommitted interests in the Unit in the Bone Spring formation.

(6) Applicant further asks that the Unit proposed in Case No. 14570 be dedicated to the West Shinnery 15 Federal Com. Well No. 3H ("the proposed well"), a horizontal well to be drilled from a standard surface location 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 15. The well will penetrate the Bone formation at a standard oil well location and continue horizontally in the Bone Spring to a standard terminus, or bottomhole location, 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 15. Applicant asks that Cimarex Energy Co. be designated operator of the proposed well and Unit in Case No. 14570.

(7) Applicant and Cimarex Energy Co. each appeared at the hearing through counsel and presented evidence that all owners in the units sought to be established in both cases have voluntarily agreed to join in the respective wells above described and to the operation of the West Shinnery 15 Federal Well No. 2H by Applicant and of the West Shinnery 15 Federal Com. Well No. 3H by Cimarex.

(8) Since all owners have voluntarily joined in the proposed wells, there is no need for the Division to issue a compulsory pooling order in either of these cases.

(9) There is also no need for the Division to establish non-standard spacing and proration units in either of these cases because the operators can establish multi-unit project areas for the proposed wells having the configurations sought in these cases simply by filing Forms C-102 with the Division designating such project areas. Rules 19.15.16.7.I and 19.15.16.14.B(1) NMAC.

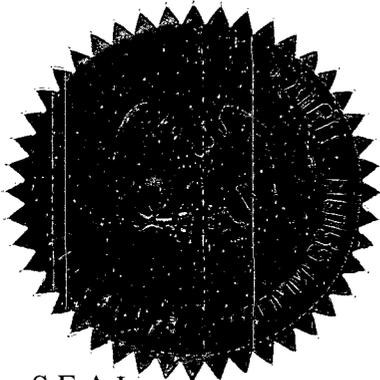
(10) For the above reasons, the Division concludes that these cases are moot and should be dismissed.

IT IS THEREFORE ORDERED THAT:

(1) Cases 14569 and 14570 are hereby dismissed as moot, without prejudice to formation of project areas comprising the proposed Units for the proposed wells pursuant to 19.15.16.14.B(2) NMAC.

(2) Jurisdiction of these cases is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Jami Bailey".

JAMI BAILEY
Director