

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. TO
AMEND ORDER R-21460 FOR A
STANDARD SPACING UNIT IN THE
W/2 W/2 OF SECTIONS 13 AND 24,
TOWNSHIP 23 SOUTH, RANGE 31 EAST,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Devon Energy Production Company, L.P. (“Applicant”) (OGRID 6137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, to amend Order R-21460 for an order approving a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, and pooling all interests in the Bone Spring formation under the terms of Order R-21460. In support of this application, Devon states:

1. Order R-21460, entered on September 21, 2020, in Case No. 21389, created a 640-acre, more or less, standard horizontal well spacing unit consisting of the W/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico (the “Unit”), and designated Applicant as the operator of the Unit.

2. Order R-21460 further pooled the uncommitted interests in the Bone Spring formation [Livingston Ridge; Bone Spring Pool (Pool Code 39350)] in the Unit and dedicated the Unit to the initial **Bora Bora 13-24 Fed Com 212H well** and the **Bora Bora 13-24 Fed Com 213H well**, with the **Bora Bora 13-24 Fed Com 212H well** as the

proximity tract well including the E/2 W/2 of Sections 13 and 24 into the approved standard horizontal spacing unit.

3. Since the entry of Order R-21460, Applicant has determined that it is prudent to drill the **Bora Bora 13-24 Fed Com 212H well** more than 330 feet from the quarter-quarter line separating the W/2 W/2 from the E/2 W/2 of Sections 13 and 24.

4. For that reason, Applicant now seeks to dedicate the standard horizontal spacing unit underlying the W/2 W/2 of Sections 13 and 24 to the proposed initial **Bora Bora 13-24 Fed Com 212H well** to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 24.

5. The completed interval for the well will comply with Statewide setbacks for oil wells.

6. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

7. Approval of this application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

8. In order to protect correlative rights and to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this standard spacing unit should be pooled, and Applicant should be designated the operator of the initial horizontal well and standard spacing unit.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and, after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP



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