

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. TO
VACATE ORDER NOS. R-21517 & R-21518 AND TO
POOL A STANDARD 640-ACRE HORIZONTAL
SPACING UNIT, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Devon Energy Production Company, L.P. (“Applicant” or “Devon”) (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 vacate Order Nos. R-21517 and R-21518, and to pool all interests in the Bone Spring formation [Antelope Ridge; Bone Spring pool (Pool code 2200)] underling a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 and the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, Devon states:

1. Division Order No. R-21517 (“Order”), entered on November 2, 2020, in Case No. 21397, created and pooled a 320-acre, more or less, standard horizontal spacing unit in the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31 and dedicated the Unit to the initial **Red Bull 30-31 Fed State Com #2H well**.

2. Division Order No. R-21518 (“Order”), entered on November 2, 2020, in Case No. 21398, created and pooled a 320-acre, more or less, standard horizontal spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 30 and 31, and dedicated the Unit to the initial **Red Bull 30-31 Fed State Com #3H well**.

3. Devon is the designated operator of each unit and pursuant to Order R-21518 commenced drilling the **Red Bull 30-31 Fed State Com #3H well**. However, due to drilling issues the wellbore had to be cut short and will only be able to develop W/2 E/2 of Section 30.

4. For these reasons, Devon seeks to vacate the two pooled 320-acre spacing units created by Order Nos. R-21517 and R-21518, and replace them with a 640-acre pooled spacing unit comprised of the W/2 E/2 and the E/2 of W/2 of Sections 30 and 31. This new 640-acre spacing unit will be initially dedicated to the following wells:

- a. The proposed **Red Bull 30-31 Fed State Com #2H well**, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 30, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and
- b. The existing **Red Bull 30-31 Fed State Com #3H well**, which has been drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, to a bottom hole location in the SE/4 NE/4 (Unit G) of Section 31.

5. The completed interval for the **Red Bull 30-31 Fed State Com #2H well** will be located closer than 330 feet from the quarter-quarter line separating the E/2 from the W/2 of Sections 30 and 31 to allow inclusion of the E/2 W/2 acreage in this standard horizontal spacing unit.

6. Applicant has discussed this revised drilling plan with the other working interest owner and anticipates no objection to this relief.

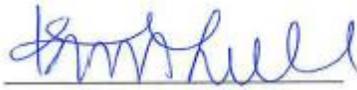
7. Approval of this application is in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

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 remaining uncommitted mineral interests in this standard spacing unit should be pooled, and Applicant should be designated the operator of the initial horizontal wells and standard spacing unit.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and, after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

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