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August 7, 2012

Case 14893

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 four applications for compulsory pooling, etc., together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the September 6, 2011 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

COG Operating, LLC  
Concho Oil & Gas, LLC  
550 West Texas, Suite 100  
Midland, TX 79701

Fonay Oil & Gas, LLC  
P. O. Box 1708  
Hobbs, NM 88241  
Javelina Partners  
616 Texas Street  
Fort Worth, TX 76102

Lynx Petroleum Consultants, Inc.  
P. O. Box 1708  
Hobbs, NM 88241

McVay Drilling Company  
P. O. Box 2450  
Hobbs, NM 88241

Merrion Oil & Gas Corporation  
610 Reilly Avenue  
Farmington, NM 87401

Moutray Properties, LLC  
P. O. Box 1598  
Carlsbad, NM 88221

Nestegg Energy Corporation  
2308 Sierra Vista  
Artesia, NM 88210

Powder Horn Investments, LLC  
P. O. Box 2503  
Hobbs, NM 88241

Travco Resources, LLC  
P. O. Box 1708  
Hobbs, NM 88241

Watson Oil & Gas Properties, LLC  
P. O. Box 10  
Hobbs, NM 88241

Zorro Partners  
616 Texas Street  
Fort Worth, TX 76102

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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Case No. 14893

APPLICATION

Devon Energy Production Company, L.P. applies for an order (i) approving a non-standard oil spacing and proration unit in the Second Bone Spring Sand comprised of the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 6, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and (ii) pooling all mineral interests in the Second Bone Spring Sand underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 6, and has the right to drill a well thereon.
2. Applicant proposes to drill the Roadrunner 6 Fed. Com. Well No. 1 to a depth sufficient to test the Second Bone Spring Sand. Applicant seeks to dedicate the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 6 to the well to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The well will be a horizontal well, with a surface location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ , and a terminus in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ , of Section 6.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ E $\frac{1}{2}$  of Section 6 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

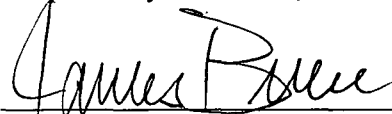
Therefore, applicant seeks an order pooling all mineral interest owners in the Second Bone Spring Sand underlying the E½E½ of Section 6, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the E½E½ of Section 6 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Second Bone Spring Sand comprised of the E½E½ of Section 6;
- B. Pooling all mineral interests in the Second Bone Spring Sand underlying the E½E½ of Section 6;
- C. Designating applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

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. 14893 :

***Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Second Bone Spring Sand comprised of the E/2E/2 of Section 6, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Second Bone Spring Sand underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Roadrunner 6 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location in the SE/4SE/4, with a terminus in the NE/4NE/4, of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles south-southwest of Maljamar, New Mexico.

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