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*Case 15439*

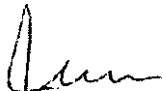
January 5, 2016

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., is an application for special pool rules for the Triple X-Bone Spring Pool, together with a proposed advertisement. Please set this matter for the February 4, 2016 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

| Well Name                | Operator             | Producing Formation         | API        | STR        |
|--------------------------|----------------------|-----------------------------|------------|------------|
| BEBIDAS STATE 1H         | COG PROD LLC         | BONE SPRING                 | 3002540854 | 16-235-33E |
| BEBIDAS STATE 2H         | COG PROD LLC         | BONE SPRING                 | 3002540855 | 16-235-33E |
| BEBIDAS STATE 3H         | COG PROD LLC         | BONE SPRING                 | 3002540856 | 16-235-33E |
| BEBIDAS STATE 4H         | COG PROD LLC         | BONE SPRING                 | 3002540857 | 16-235-33E |
| BRININSTOOL '4' STATE 3H | MURCHISON O&G INC    | BONE SPRING                 | 3002541030 | 04-245-33E |
| BRININSTOOL '4' STATE 4H | MURCHISON O&G INC    | BONE SPRING                 | 3002541959 | 04-245-33E |
| BRININSTOOL '4' STATE 6H | MURCHISON O&G INC    | BONE SPRING                 | 3002541031 | 04-245-33E |
| BRINNINSTOOL UNIT 3H     | COG OPERATING LLC    | BONE SPRING                 | 3002541371 | 20-235-33E |
| BRINNINSTOOL UNIT 4H     | COG OPERATING LLC    | BONE SPRING                 | 3002541803 | 20-235-33E |
| CABO BLANCO STATE 1H     | COG PROD LLC         | BONE SPRING                 | 3002540702 | 05-245-33E |
| CABO BLANCO STATE 2H     | COG PROD LLC         | BONE SPRING                 | 3002540703 | 05-245-33E |
| CABO BLANCO STATE 3H     | COG PROD LLC         | BONE SPRING                 | 3002542000 | 05-245-33E |
| DECKARD FED COM 2H       | COG OPERATING LLC    | BONE SPRING                 | 3002541382 | 13-245-33E |
| DECKARD FEE 1H           | COG OPERATING LLC    | RED HILLS BONE SPRING NORTH | 3002540914 | 13-245-33E |
| EATA FAJITA STATE 10H    | COG PROD LLC         | BONE SPRING                 | 3002542275 | 08-245-33E |
| EATA FAJITA STATE 6H     | COG PROD LLC         | BONE SPRING                 | 3002541774 | 08-245-33E |
| EATA FAJITA STATE 9H     | COG PROD LLC         | BONE SPRING                 | 3002542274 | 08-245-33E |
| ESTANCIA SED 1H          | XTO ENERGY           | BONE SPRING                 | 3002540591 | 31-235-33E |
| ESTANCIA SED 2H          | XTO ENERGY           | BONE SPRING                 | 3002540591 | 31-235-33E |
| FOXGLOVE '29' FEDERAL 1  | OXY USA              | BONE SPRING                 | 3002536593 | 29-235-33E |
| FOXGLOVE '29' FEDERAL 4H | OXY USA              | BONE SPRING                 | 3002541827 | 29-235-33E |
| FOXGLOVE '29' FEDERAL 5H | OXY USA              | BONE SPRING                 | 3002541828 | 29-235-33E |
| FOXGLOVE '29' FEDERAL 6H | OXY USA              | BONE SPRING                 | 3002541850 | 29-235-33E |
| FOXGLOVE '29' FEDERAL 7H | OXY USA              | BONE SPRING                 | 3002541851 | 29-235-33E |
| HEMLOCK 'BSH' STATE 1H   | YATES PETROLEUM CORP | BONE SPRING                 | 3002540489 | 32-235-33E |
| HEMLOCK 'BSH' STATE 2H   | YATES PETROLEUM CORP | BONE SPRING                 | 3002540891 | 32-235-33E |
| HNG '4F' STATE 1         | FULFER OIL & CATTLE  | BONE SPRING                 | 3002526344 | 04-245-33E |
| JACKSON UNIT 14H         | MURCHISON O&G INC    | BONE SPRING                 | 3002541072 | 15-245-33E |
| JACKSON UNIT 15H         | MURCHISON O&G INC    | BONE SPRING                 | 3002541086 | 15-245-33E |
| JACKSON UNIT 16H         | MURCHISON O&G INC    | BONE SPRING                 | 3002541167 | 15-245-33E |
| JACKSON UNIT 17H         | MURCHISON O&G INC    | BONE SPRING                 | 3002541087 | 15-245-33E |
| JAGUAR '18' STATE 2H     | ENDURANCE RES LLC    | BONE SPRING                 | 3002541428 | 18-235-33E |
| JAGUAR '18' STATE 3H     | ENDURANCE RES LLC    | BONE SPRING                 | 3002541429 | 18-235-33E |

*Business Notified*

|                           |                      |             |            |            |
|---------------------------|----------------------|-------------|------------|------------|
| JAZZMASTER '17' STATE 3H  | ENDURANCE RES LLC    | BONE SPRING | 3002541426 | 17-23S-33E |
| JAZZMASTER '17' STATE 4H  | ENDURANCE RES LLC    | BONE SPRING | 3002541329 | 17-23S-33E |
| MACHO STATE 1H            | COG OPERATING LLC    | BONE SPRING | 3002539884 | 02-24S-33E |
| MACHO STATE 2H            | COG OPERATING LLC    | BONE SPRING | 3002539885 | 02-24S-33E |
| MARS 10 STATE 502H        | EOG RESOURCES INC    | BONE SPRING | 3002542038 | 10-24S-33E |
| MARS 10 STATE 503H        | EOG RESOURCES INC    | BONE SPRING | 3002542039 | 10-24S-33E |
| MARS 3 STATE 1H           | EOG RESOURCES INC    | BONE SPRING | 3002541632 | 03-24S-33E |
| MIS AMIGOS 1H             | XTO ENERGY           | BONE SPRING | 3002540590 | 31-23S-33E |
| MIS AMIGOS 2H             | XTO ENERGY           | BONE SPRING | 3002541003 | 31-23S-33E |
| MOGI 9 STATE COM 11H      | MURCHISON O&G INC    | BONE SPRING | 3002541787 | 09-24S-33E |
| NEPTUNE 10 STATE COM 501H | EOG RESOURCES INC    | BONE SPRING | 3002542322 | 10-24S-33E |
| NEPTUNE 10 STATE COM 502H | EOG RESOURCES INC    | BONE SPRING | 3002542323 | 10-24S-33E |
| ROY BATTY FED COM 1H      | COG OPERATING LLC    | BONE SPRING | 3002541099 | 11-24S-33E |
| ROY BATTY FED COM 2H      | COG OPERATING LLC    | BONE SPRING | 3002541332 | 11-24S-33E |
| ROY BATTY FED COM 3H      | COG OPERATING LLC    | BONE SPRING | 3002541333 | 11-24S-33E |
| ROY BATTY FED COM 4H      | COG OPERATING LLC    | BONE SPRING | 3002541334 | 11-24S-33E |
| TRES EQUIS '5' STATE 1H   | CIMAREX              | BONE SPRING | 3002540532 | 05-24S-33E |
| TRES EQUIS 5 STATE 2Y     | CIMAREX              | BONE SPRING | 3002540818 | 05-24S-33E |
| TRES EQUIS STATE 1        | CIMAREX              | BONE SPRING | 3002533633 | 06-24S-33E |
| TRES EQUIS STATE 2        | CIMAREX              | BONE SPRING | 3002540183 | 06-24S-33E |
| TRES EQUIS STATE 3        | CIMAREX              | BONE SPRING | 3002540320 | 06-24S-33E |
| TRES EQUIS STATE 4        | CIMAREX              | BONE SPRING | 3002540341 | 06-24S-33E |
| TRES EQUIS STATE 5        | CIMAREX              | BONE SPRING | 3002540449 | 06-24S-33E |
| TRISTE DRAW 30 FEDERAL 1H | CIMAREX              | BONE SPRING | 3002541174 | 30-23S-33E |
| TRISTE DRAW 30 FEDERAL 2H | CIMAREX              | BONE SPRING | 3002541175 | 30-23S-33E |
| TRISTE DRAW 30 FEDERAL 3H | CIMAREX              | BONE SPRING | 3002541176 | 30-23S-33E |
| TRUCKER 'BRK' STATE 1H    | YATES PETROLEUM CORP | BONE SPRING | 3002526309 | 02-24S-33E |
| TRUCKER 'BRK' STATE 2H    | YATES PETROLEUM CORP | BONE SPRING | 3002541972 | 02-24S-33E |
| YARROW BHY STATE 4H       | YATES PETROLEUM CORP | BONE SPRING | 3002541054 | 32-23S-33E |
| YARROW BHY STATE 5H       | YATES PETROLEUM CORP | BONE SPRING | 3002541054 | 32-23S-33E |

TRIPLE

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. FOR SPECIAL RULES AND  
REGULATIONS FOR THE TRIPLE X-BONE SPRING  
POOL, LEA COUNTY, NEW MEXICO.

Case No. 15439

APPLICATION

Devon Energy Production Company, L.P. applies for an order instituting special rules and regulations for horizontal wells in the Triple-Bone Spring Pool (the "Pool"), and in support thereof, states:

1. Applicant is an operator in the Pool.
2. The Pool was created by Division Order No. R-8388, and currently includes the following acreage in Lea County, New Mexico:

Township 23 South, Range 33 East, N.M.P.M.

Section 29: SW/4  
Section 32: E/2 and NW/4  
Section 33: SW/4

Township 24 South, Range 33 East, N.M.P.M.

Section 4: NW/4

The Pool is governed by the Division's statewide rules for oil pools, with 40 acre well units and wells to be located no closer than 330 feet to a quarter-quarter section line.

2. Applicant intends to drill multiple horizontal Bone Spring wells on its acreage in or near the Pool. Initially, applicant plans to drill three wells in the Second Bone Spring zone in half section tracts in order to properly drain reserves from the acreage, and obtain maximum recovery therefrom. This will result in certain wells having unorthodox locations near the center of a half section of land. In addition, there is the potential for drilling additional wells in the Pool to other Bone Spring zones.

3. The initial well completed in the Pool had a top perforation of 10398 feet subsurface. Therefore, the Pool has a depth bracket allowable of 320 barrels of oil per day for a standard 40 acre oil spacing and proration unit. **NMAC 19.15.20.12**. This allowable is insufficient for a multiple horizontal wells, and the planned three wells (or more) per half section will cause or exacerbate overproduction based on the statewide allowable.

4. Applicant requests that special rules and regulations be established for horizontal wells in the Pool, providing for:

- (a) a standard oil spacing and proration unit of 320 acres;
- (b) wells to be located no closer than 330 feet to the exterior boundary of a standard well unit, with interior setbacks of 10 feet from a quarter-quarter section line;
- (c) a special depth bracket allowable of 6,400 barrels of oil per day for a standard 320 acre well unit;
- (d) a GOR of 5,000 cubic feet of gas per barrel of oil; and
- (e) all other rules to be in conformance with statewide rules.

5. Applicant requests that the new pool rules not apply to existing horizontal wells, although an operator should have the option to re-space the units for its horizontal wells in the Pool.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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. 15439:

***Application of Devon Energy Production Company, L.P. for special pool rules for the Triple X-Bone Spring Pool, Lea County, New Mexico.*** Applicant seeks an order instituting special rules and regulations for horizontal wells in the Triple X-Bone Spring Pool, including standard 320 acre oil spacing and proration units and a special depth bracket allowable of 6400 barrels of oil per day for a standard horizontal well unit. The Triple X-Bone Spring Pool currently includes parts of Sections 29, 32, and 33, Township 23 South, Range 33 East, NMPM and part of Section 4, Township 24 South, Range 33 East, NMPM. The Triple X-Bone Spring Pool is centered approximately 27 miles southwest of Oil Center, New Mexico.

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