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January 5, 2016

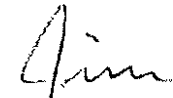
Case 15440

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 Cruz-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

Reservoir Not Filled

JAZZMASTER '17' STATE 3H	ENDURANCE RES LLC	BONE SPRING	3002541426	17-235-33E
JAZZMASTER '17' STATE 4H	ENDURANCE RES LLC	BONE SPRING	3002541329	17-235-33E
MACHO STATE 1H	COG OPERATING LLC	BONE SPRING	3002539884	02-245-33E
MACHO STATE 2H	COG OPERATING LLC	BONE SPRING	3002539885	02-245-33E
MARS 10 STATE 502H	EOG RESOURCES INC	BONE SPRING	3002542038	10-245-33E
MARS 10 STATE 503H	EOG RESOURCES INC	BONE SPRING	3002542039	10-245-33E
MARS 3 STATE 1H	EOG RESOURCES INC	BONE SPRING	3002541632	03-245-33E
MIS AMIGOS 1H	XTO ENERGY	BONE SPRING	3002540590	31-235-33E
MIS AMIGOS 2H	XTO ENERGY	BONE SPRING	3002541003	31-235-33E
MOGI 9 STATE COM 11H	MURCHISON O&G INC	BONE SPRING	3002541787	09-245-33E
NEPTUNE 10 STATE COM 501H	EOG RESOURCES INC	BONE SPRING	3002542322	10-245-33E
NEPTUNE 10 STATE COM 502H	EOG RESOURCES INC	BONE SPRING	3002542323	10-245-33E
ROY BATTY FED COM 1H	COG OPERATING LLC	BONE SPRING	3002541099	11-245-33E
ROY BATTY FED COM 2H	COG OPERATING LLC	BONE SPRING	3002541332	11-245-33E
ROY BATTY FED COM 3H	COG OPERATING LLC	BONE SPRING	3002541333	11-245-33E
ROY BATTY FED COM 4H	COG OPERATING LLC	BONE SPRING	3002541334	11-245-33E
TRES EQUIS 'S' STATE 1H	CIMAREX	BONE SPRING	3002540532	05-245-33E
TRES EQUIS 5 STATE 2Y	CIMAREX	BONE SPRING	3002540818	05-245-33E
TRES EQUIS STATE 1	CIMAREX	BONE SPRING	3002533633	06-245-33E
TRES EQUIS STATE 2	CIMAREX	BONE SPRING	3002540183	06-245-33E
TRES EQUIS STATE 3	CIMAREX	BONE SPRING	3002540320	06-245-33E
TRES EQUIS STATE 4	CIMAREX	BONE SPRING	3002540341	06-245-33E
TRES EQUIS STATE 5	CIMAREX	BONE SPRING	3002540449	06-245-33E
TRISTE DRAW 30 FEDERAL 1H	CIMAREX	BONE SPRING	3002541174	30-235-33E
TRISTE DRAW 30 FEDERAL 2H	CIMAREX	BONE SPRING	3002541175	30-235-33E
TRISTE DRAW 30 FEDERAL 3H	CIMAREX	BONE SPRING	3002541176	30-235-33E
TRUCKER 'BRK' STATE 1H	YATES PETROLEUM CORP	BONE SPRING	3002526309	02-245-33E
TRUCKER 'BRK' STATE 2H	YATES PETROLEUM CORP	BONE SPRING	3002541972	02-245-33E
YARROW BHY STATE 4H	YATES PETROLEUM CORP	BONE SPRING	3002541054	32-235-33E
YARROW BHY STATE 5H	YATES PETROLEUM CORP	BONE SPRING	3002541054	32-235-33E

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 CRUZ-BONE SPRING
POOL, LEA COUNTY, NEW MEXICO.

Case No. 15440

APPLICATION

Devon Energy Production Company, L.P. applies for an order instituting special rules and regulations for horizontal wells in the Cruz-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-9843, and currently includes the following acreage in Lea County, New Mexico:

Township 23 South, Range 33 East, N.M.P.M.
Section 16: SW/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 9343 feet subsurface. Therefore, the Pool has a depth bracket allowable of 275 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:

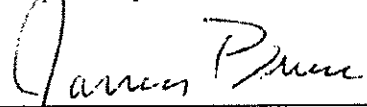
- (a) a standard oil spacing and proration unit of 320 acres;
- (b) wells to be located no closer than 330 feet to the exterior boundary of a standard well unit, with interior setbacks of 10 feet from a quarter-quarter section line;
- (c) a special depth bracket allowable of 6,400 barrels of oil per 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", 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. 15440 :

Application of Devon Energy Production Company, L.P. for special pool rules for the Cruz-Bone Spring Pool, Lea County, New Mexico. Applicant seeks an order instituting special rules and regulations for horizontal wells in the Cruz-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 Cruz-Bone Spring Pool currently includes part of Section 16, Township 23 South, Range 33 East, NMPM. The Cruz-Bone Spring Pool is centered approximately 25 miles southwest of Oil Center, New Mexico.

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