

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

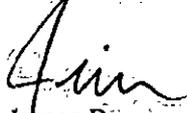
January 31, 2017

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 application for approval of a non-standard unit and compulsory pooling, together with a proposed advertisement. Please set this matter for the March 2, 2017 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

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2017 JAN 31 P 02

Case 15634

PERSONS BEING NOTIFIED

ExxonMobil Corporation
c/o XTO Energy Inc.
810 Houston Street
Fort Worth, Texas 76102

Attention: Angie Repka

Wells Fargo Bank N.A.
1525 West W.T. Harris Boulevard
Charlotte, North Carolina 28262

Linn Energy Holdings, LLC
Berry Petroleum, LLC
Suite 5100
600 Travis Street
Houston, Texas 77002

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 15634

APPLICATION

Devon Energy Production Company, L.P. applies for an order (i) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of Lot 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$ (the W $\frac{1}{2}$ W $\frac{1}{2}$) of Section 1 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 12, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (ii) pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 1 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 12, and has the right to drill a well thereon.
2. Applicant proposes to drill its Tomb Raider 1-12 Fed. Well No. 61H to a depth sufficient to test the Bone Spring formation, and seeks to dedicate the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 1 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 12 to the well to form a non-standard 320 acre, more or less, oil spacing and proration unit (project area) in the Bone Spring formation 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 200 feet from the north line and 1310 feet from the west line of Section 1, and a terminus 330 feet from the south line and 660 feet from the west line of Section 12. The producing interval will be orthodox

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}W\frac{1}{2}$ of Section 1 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 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 Bone Spring formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 1 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 12, as set forth above, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the Bone Spring formation in the $W\frac{1}{2}W\frac{1}{2}$ of Section 1 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 12 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 Bone Spring formation comprised of the $W\frac{1}{2}W\frac{1}{2}$ of Section 1 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 12;
- B. Pooling all mineral interests in the Bone Spring formation underlying the $W\frac{1}{2}W\frac{1}{2}$ of Section 1 and the $W\frac{1}{2}W\frac{1}{2}$ of Section 12;
- 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. 15634:

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 320-acre, more or less, non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 4, SW/4NW/4, and W/2SW/4 (the W/2W/2) of Section 1 and the W/2W/2 of Section 12, Township 23 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Tomb Raider 1-12 Fed. Well No. 61H, a horizontal well to be drilled at a surface location 200 feet from the north line and 1310 feet from the west line of Section 1, with a terminus 330 feet from the south line and 660 feet from the west line of Section 12. The producing interval will be orthodox. 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 21 miles east-northeast of Malaga, New Mexico.

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