## Examiner Hearing –September 2, 2010 Docket No. 29-10 Page 3 of 11

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 7 miles South of Loco Hills, New Mexico.

- 8. <u>CASE 14438</u>: (Continued from the August 5, 2010 Examiner Hearing.)(This case will be continued to the September 16, 2010 Examiner Hearing.)
  - Application of Devon Energy Production Company, L.P. for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant seeks an order (a) creating a new pool for production of oil from the Bone Spring formation, to be named the Angell Ranch-Bone Spring Pool, comprising the NW/4 of Section 25, Township 19 South, Range 27 East, N.M.P.M., (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations for the pool, including (i) spacing of 80 acres, (ii) wells to be located no closer than 330 feet to a quarter-quarter section line, and (iii) a gas:oil ratio of 10,000 cubic feet of gas for each barrel of oil produced. The discovery well for the pool is the Guardian 25 State Com. Well No. 1 (API No. 30-015-36577), which was drilled at a location 1980 feet from the north line and 1980 feet from the west line of Section 25. Applicant requests that the pool rules be made effective retroactive to the date of first Bone Spring production from the discovery well. The proposed pool is located approximately 7-1/2 miles East of Lakewood, New Mexico.
- 9. CASE 14534: Application of Devon Energy Production Company, L.P. for a non-standard gas spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Chaves County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 320-acre non-standard gas spacing and proration unit (project area) in the Mississippian formation comprised of the S/2 NE/4 and N/2 SE/4 of Section 1, Township 12 South, Range 28 East, NMPM, and the S/2 NW/4 and N/2 SW/4 of Section 6, Township 12 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Siluro-Devonian formation underlying the SW/4 NE/4 of Section 1 to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, and (ii) in the Mississippian formation underlying the non-standard 320 acre unit (project area). The units are to be dedicated to the Goodnight 1 Fee Well No. 1, to be drilled vertically at an unorthodox surface location 2585 feet from the North line and 1980 feet from the East line of Section 1 to test the Siluro-Devonian formation, and then drilled horizontally in the Mississippian formation with an entry point in the Mississippian formation approximately 2585 feet from the North line and 1680 feet from the East line of Section 1 and a terminus 1980 feet from the South line and 1980 feet from the West line of Section 6. Applicant also seeks approval of an unorthodox oil well location in the SW/4 NE/4 of Section 1. 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 units are located approximately 19 miles East-Northeast of Dexter, New Mexico.
- 10. <u>CASE 14535</u>: Application of Devon Energy Production Company, L.P. for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the following described acreage in Section 28, Township 10 South, Range 29 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit in all formations or pools developed on 320-acre spacing within that vertical extent; and the NE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to Longhorn 28 Fee Well No. 1, to be drilled vertically at a location 670 feet from the North line and 1770 feet from the West line of Section 28, to test the Siluro-Devonian formation, and then drilled horizontally in the Mississippian formation with a terminus 670 feet from the North line and 670 feet from the East line of Section 28. 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 units are located approximately 18 miles West-Northwest of Caprock, New Mexico.
- 11. Pease 14536: Application of Devon Energy Production Company, L.P. for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the following described acreage in Section 29, Township 11 South, Range 29 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit in all formations or pools developed on 320-acre spacing within that vertical extent; and the NW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to Jinglebob 29 Fee Well No. 1, to be drilled vertically at a location 670 feet from the north line and 990 feet from the west line of Section 29, to test the Siluro-Devonian formation, and then drilled horizontally in the Mississippian formation with a terminus 670 feet from the North line and 670 feet from the East line of Section 29. 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 units are located approximately 21 miles West-Southwest of Caprock, New Mexico.