

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 15077
ORDER NO. R-4371-A**

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. TO
EXPAND THE BURTON FLAT DEEP UNIT, EDDY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 am on January 23, 2014, at Santa Fe, New Mexico, before Examiner Richard I. Ezeanyim.

NOW, on this 14th day of May, 2014, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The Burton Flat Deep Unit (the "Unit") in Eddy County is a voluntary exploratory unit consisting of Federal, State of New Mexico and fee minerals. The Unit, which originally included 5,807.72 acres, more or less, was approved by the Oil Conservation Commission in Order No. R-4371, issued in Case No. 4791 on August 21, 1972.

(3) The Unit has since contracted and expanded at various times, and now comprises 3,914.62 acres, more or less, described as follows (the "Unit Area"):

Township 20 South, Range 28 East, NMPM

Section 26: W/2
Section 27: All
Section 28: SE/4
Section 33: W/2

Section 34: All
Section 35: E/2

Township 21 South, Range 27 East, NMPM

Section 2: Lots 1 to 16, inclusive; SE/4; N/2 SW/4; SW/4 SW/4
Section 3: Lots 9 to 16, inclusive; S/2

(4) Devon Energy Production Company, L.P. (the "Applicant"), the current operator of the Unit, seeks to expand the Unit by adding 40 acres, more or less, of Federal minerals as follows:

Township 21 South, Range 27 East, NMPM

Section 2: SE/4 SW/4 (also described as Lot 22)

(5) Applicant appeared at hearing through counsel and presented testimony that demonstrates that:

(a) Applicant has recently drilled several horizontal wells within the Unit Area. These wells are producing from the 1st Sand of the Bone Spring formation.

(b) The proposed expansion will incorporate the entire completed interval for Applicant's Burton Flat Deep Unit Well No. 54H (API No. 30-015-40503) within the Unit Area.

(c) The Commissioner of Public Lands and the United States Bureau of Land Management have given preliminary approval for the proposed Unit expansion.

(d) The lands within the proposed Unit expansion are productive from the same zone as adjoining Unit lands.

(6) No other party appeared at the hearing or otherwise opposed this application.

(7) The lands within the proposed Unit expansion should be incorporated into the Unit and should proportionately share in the costs and benefits of oil and gas production from the Unit Area.

(8) The approval of the proposed Unit expansion should serve to prevent waste and protect correlative rights within the lands comprising the Unit Area.

IT IS THEREFORE ORDERED THAT:

(1) The expansion of the Burton Flat Deep Unit to include the lands described in Findings Paragraph (4) above is hereby approved. The Unit as expanded shall consist of 3,954.62 acres, more or less, of Federal, State of New Mexico, and fee minerals.

(2) This approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation that is now, or may hereafter be, vested in the Division to supervise or control operations of the Unit Area

(3) This order shall become effective upon the approval of the Unit expansion by the New Mexico State Land Office and the United States Bureau of Land Management. This order shall terminate upon the termination of the Unit Agreement.

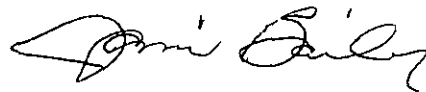
(4) This Order supersedes Division Order No. R-4371 issued in Case No. 4791 on August 21, 1972.

(5) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JAMI BAILEY
Director