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Devon - Papas Fritas
Case No. 21182

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The State of New Mexico State Land Office Oil Gas and Minerals Division
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March 13, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO PROCEEDINGS

Re: Application Of Devon Energy Production Company, L.P., For Approval Of 1280-Acre Non-Standard Spacing Units In The Bone Spring And Wolfcamp Formations Comprised Of Acreage Subject To Proposed Communitization Agreements, Eddy County, New Mexico.

Ladies & Gentlemen:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on April 2, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Verl Brown at (405) 228-8804, or at Verl.Brown@dvn.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR
APPROVAL OF 1280-ACRE NON-
STANDARD SPACING UNITS IN
THE BONE SPRING AND WOLFCAMP
FORMATIONS COMPRISED OF
ACREAGE SUBJECT TO PROPOSED
COMMUNITIZATION AGREEMENTS,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21182

APPLICATION

Devon Energy Production Company, L.P. ("Devon") through its undersigned attorneys, files this application with the Oil Conservation Division for an order approving 1280-acre, more or less, non-standard spacing units in the Bone Spring and Wolfcamp formations comprised of acreage subject to corresponding Communitization Agreements covering all of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, Devon states:

1. Devon (OGRID No. 6137) is the designated operator under a Joint Operating Agreement covering federal leases in the Bone Spring and Wolfcamp formations underlying Sections 22 and 27, Township 23 South, Range 39 East, NMPM, Eddy County, New Mexico.
2. There are two pools within the Bone Spring formation underlying the proposed non-standard spacing unit: The Laguna Salado; Bone Spring (Pool Code 96721), and the Laguna Salado; Bone Spring, South (Pool Code 96857).

3. Within the proposed non-standard spacing unit, Devon intends to drill or has drilled the following wells within Laguna Salado; Bone Spring (Pool Code 96721), and the Laguna Salado; Bone Spring, South (Pool Code 96857):

- Papas Fritas 27-22 Fed Com #331H (30-015-46580)
- Papas Fritas 27-22 Fed Com #332H (30-015-46579)
- Papas Fritas 27-22 Fed Com #333H (30-015-46578)

Devon's drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard project area.

4. The only pool within the Wolfcamp formation underlying the proposed non-standard spacing unit is the Purple Sage; Wolfcamp (Gas) (Pool Code 98220), which is defined by Division Order No. R- 14262.

5. Within the proposed non-standard spacing unit, Devon intends to drill or has drilled the following wells in the Purple Sage; Wolfcamp Pool:

- Papas Fritas 27-22 Fed Com #621H (30-015-46573)
- Papas Fritas 27-22 Fed Com #622H (30-015-46577)
- Papas Fritas 27-22 Fed Com #623H (30-015-46576)
- Papas Fritas 27-22 Fed Com #711H (30-015-46572)
- Papas Fritas 27-22 Fed Com #712H (30-015-46574)
- Papas Fritas 27-22 Fed Com #713H (30-015-46575)

Devon's drilling program for this area will develop the Wolfcamp formation underlying each of the 320-acre tracts comprising the proposed non-standard project area.

6. Devon seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing units.

7. The Bureau of Land Management has informed Devon that it prefers and will approve separate Communitization Agreements for the Bone Spring and the Wolfcamp formations underlying the acreage comprising the proposed non-standard spacing units.

8. To allow the existing and permitted wells to be dedicated to the acreage subject to the desired Communitization Agreements, Devon requires approval of corresponding non-standard spacing units in the Bone Spring and Wolfcamp formations.

9. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC and 19.15.16.15.C(7) NMAC.

10. Approval of this application will allow Devon to efficiently locate surface facilities; reduce surface disturbance; consolidate roads, tanks and pipelines; and promote effective well spacing.

11. Notice of this application will be provided as required by Division rules.

12. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 2, 2020, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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