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September 4, 2012

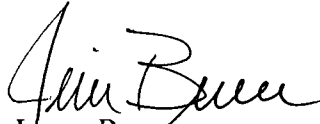
Case 14910

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 original and one copy of an application for compulsory pooling, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the October 4, 2012 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Lewis Burleson Properties, L.P.
P.O. Box 2479
Midland, TX 79072

Charles A. Heyne
8911 East Nichols Place
Centennial, CO 80112

Fred J. Heyne III, Trustee
2216 Devonshire Street
Houston, TX 77019

CMW 2000-C, Ltd.
Attn: Allen Brinson
P.O. Box 7698
Tyler, TX 75711

Esperanza Energy Corporation
17400 Dallas Parkway, Suite 210
Dallas, TX 75287

Roff Oil & Gas, Ltd.
600 Travis Street, Suite 7070
Houston, TX 77002

SM Energy Company
P.O. Box 4524
Midland, TX 79701

Norton LLC
60 Beach Avenue
Bay View
South Dartmouth, MA 02748

Centennial LLC
P. O. Box 1837
Roswell, NM 88202

Dean Kinsolving
P. O. Box 325
Tatum, NM 88267

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

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2012 SEP -4 P 4:03
Case No. 14910

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 the S½N½ of Section 14, Township 18 South, Range 32 East, N.M.P.M., Lea 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 S½N½ of Section 14, and has the right to drill a well thereon.
2. Applicant proposes to drill the Shinnery 14 Fed. Well No. 10 to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the S½N½ of Section 14 to the well to form a non-standard 160 acre oil spacing and proration unit (project area) 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 in the SE¼NE¼, and a terminus in the SW¼NW¼, of Section 14.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the S½N½ of Section 14 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 S½N½ of Section 14, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests underlying the S½N½ of Section 14 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 S½N½ of Section 14;
- B. Pooling all mineral interests in the Bone Spring formation underlying the S½N½ of Section 14;
- 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. 14910:

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2N/2 of Section 14, Township 18 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Shinnery 14 Fed. Well No. 10, a horizontal well to be drilled at a surface location in the SE/4NE/4, with a terminus in the SW/4NW/4, of Section 14. 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 7-1/2 miles south-southeast of Maljamar, New Mexico.

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