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2012 NOV -9 P 2:15

Case 14936

November 9, 2012

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 pool rules, *etc.*, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the December 13, 2012 Examiner hearing.

Please note that applicant has requested an emergency order (filed with Mr. Ezeanyim), and the application may be set for November 29th.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154

Chevron USA Inc.
P.O. Box 2100
Houston, TX 77252

Ranger 40 Petroleum, LLC
1004 Collier Center Way #206
Naples, FL 34110

Cimarex Energy Co.
Suite 600
600 North Marienfeld
Midland, TX 79701

Southwest Royalties, Inc.
Suite 2100
6 Desta Drive
Midland, TX 79705

BOPCO, L.P.
Suite 2900
201 Main Street
Ft. Worth, TX 76102

Dakota Resources, Inc.
4914 North Midkiff Road
Midland, TX 79705

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR POOL EXPANSION AND SPECIAL
POOL RULES, EDDY COUNTY, NEW MEXICO.

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Case No. 14936

APPLICATION

Devon Energy Production Company, L.P. applies for an order expanding the Northwest Fenton-Delaware Pool, establishing special rules and regulations for the pool, and/or cancelling overproduction from a certain well, and in support thereof, states:

1. Applicant is the operator of the Lone Tree 14 State. Com. Well No. 1 (API No. 30-015-29524), located in the SE/4NE/4 of Section 14, Township 21 South, Range 27 East, N.M.P.M. (the "Well").

2. The Well was originally drilled to the Morrow formation. On November 4, 2011, applicant re-completed the Well in the Delaware formation. The Division placed the Well in the Northwest Fenton-Delaware Pool (the "Pool"), which currently includes the following acreage:

Township 21 South, Range 27 East, N.M.P.M.

Section 1: W/2 and SE/4
Section 2: S/2
Section 11: All
Section 12: All

Township 21 South, Range 28 East, N.M.P.M.

Section 7: NW/4 and S/2
Section 8: SW/4

The Pool has a depth bracket allowable of 80 barrels of oil per day for a standard 40 acre oil spacing and proration unit.

3. Since re-completion, the Well has produced at a rate of approximately 200 barrels of oil per day, in excess of the Pool's depth bracket allowable.

4. Applicant has also (a) drilled the Lone Tree 13 State Well No. 2H, a horizontal well being completed in the Delaware formation, with a unit comprised of the W/2W/2 of Section 13, and (b) re-completed the Lone Tree 13 Well No. 1 in the Delaware formation, with a unit comprised of the NE/4SW/4 of Section 13, all in Township 21 South, Range 27 East, N.M.P.M.

5. Applicant requests that the Pool be expanded to include the following acreage:

Township 21 South, Range 27 East, N.M.P.M.

Section 13: W/2

Section 14: NW/4

6. Applicant further requests that:

(a) Special rules and regulations be enacted for the Pool, providing for a special depth bracket allowable of 200 barrels of oil per day;

(b) All other rules be in conformance with statewide rules; and

(c) The pool rules be made effective retroactive to the date of first Delaware production from the Well.

7. If the special pool rules are not made retroactive, applicant requests that overproduction from the Well be cancelled.

8. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division grant the relief requested above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

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. 14936:

Application of Devon Energy Production Company, L.P. for pool expansion and special pool rules, Eddy County, New Mexico. Applicant seeks an order (a) expanding the Northwest Fenton-Delaware Pool to include the W/2 of Section 13 and the NE/4 of Section 14, Township 21 South, Range 27 East, NMPM, and (b) establishing special rules and regulations for the pool, including a special depth bracket allowable of 200 barrels of oil per day for a standard 40 acre oil spacing and proration unit. Applicant requests that the pool rules be made effective retroactive to the date of first Delaware production from the Lone Tree 14 State Com. Well No. 1, located in the SE/4NE/4 of Section 14, Township 21 South, Range 27 East, NMPM, or in the alternative that overproduction from said well be cancelled. The Northwest Fenton-Delaware Pool is centered approximately 7-1/2 miles northeast of Carlsbad, New Mexico.

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