

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

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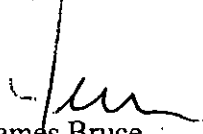
Case 15198

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 a project allowable. The advertisement has also been e-mailed to the Division. Please set this matter for the September 18, 2014 Examiner hearing.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Chevron U.S.A. Inc.
P.O. Box 2100
Houston, Texas 77252

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

OGX Resources LLC
P.O. Box 2064
Midland, Texas 79702

Millennium Energy LLC
P.O. Box 1220
Mandeville, Louisiana 70470

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A SPECIAL PROJECT
ALLOWABLE, LEA COUNTY, NEW MEXICO.

Case No. 15198

APPLICATION

Devon Energy Production Company, L.P. applies for an granting a special project allowable in the Bone Spring formation for the lands described below, and in support thereof, states:

1. The lands involved in this application are as follows:

Township 24 South, Range 32 East, N.M.P.M., Lea County
Section 32: All

The Bone Spring formation in Section 32 is wildcat acreage, and is not within, or within a mile of, any Bone Spring pool defined by the Division. Thus, it is subject to the Division's statewide rules, including those on well spacing and depth bracket allowables.

2. Yates Petroleum Corporation is the operator of the N/2 of Section 32 under State Lease VB-1178.

3. Applicant is the operator of the S/2 of Section 32 under State Lease VB-1172-1.

4. Applicant has proposed a plan to develop Section 32 in the Second Bone Spring Sand with, initially, six standup horizontal wells. The wells will be completed at true vertical depths of 8000-8999 feet subsurface. The purpose of the development plan is to gather data on the potential benefits of increased well density in the Bone Spring formation.

5. The statewide allowable for the proposed wells is 230 barrels of oil per day for a 40 acre well unit.

6. Based upon Second Bone Spring wells recently completed by Applicant near Section 32, production from the wells in Section 32 will initially exceed the depth bracket allowable for 160 acre project areas. In addition, certain project areas/well units will have two wells located thereon, making it even more probable that the 230 barrel of oil per day allowable will be exceeded.

7. Applicant requests that the depth bracket allowable in Section 32 for Bone Spring wells be increased to 690 barrels of oil per day, with the provision that after the six well development plan is completed Applicant shall provide production data with the Division.

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 dark ink, appearing to read "James Bruce", is 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. 15198:

Application of Devon Energy Production Company, L.P. for a special project allowable, Lea County, New Mexico. Applicant seeks an order approving a special depth bracket allowable in the Bone Spring formation of 690 barrels of oil per day for a standard 40 acre oil spacing and proration unit in Section 32, Township 24 South, Range 32 East, NMPM, in order to determine the potential benefits of increased well density in the Bone Spring formation. The project area is located approximately 29 miles west of Jal, New Mexico.