JAMES BRUCE ATTORNEY AT LAW

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February 14, 2015

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Florenc:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., is an application for special pool rules, together with a proposed advertisement. Please set this matter for the March 19, 2015 Examiner hearing.

Very truly yours,

lames Bruce

Altorney for Devon Energy Production Company, L.P.

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2015 FEB 16 A 7:57

Case 15272

PERSONS BEING NOTIFIED

COG Production LLC 2208 West Main Street Artesia, New Mexico 88210

XTO Energy Inc. 810 Houston Street Fort Worth, Texas 76102

OXY USA Inc. 5 Greenway Plaza Houston, Texas 77046

COG Operating LLC One Concho Center 600 West Illinois Midland, Texas 79701 BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2015 FEB 16 A 7:57

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR SPECIAL RULES AND REGULATIONS FOR THE LIVINGSTON RIDGE-BONE SPRING POOL, EDDY COUNTY, NEW MEXICO.

Case No. 15272

APPLICATION

Devon Energy Production Company, L.P. applies for an order instituting special rules and regulations for the Livingston Ridge-Bone Spring Pool (the "Pool"), and in support thereof, states:

- Applicant is an operator in the Pool.
- 2. The Pool was created by Division Order No. R-9418, and currently includes the following acreage in Eddy County, New Mexico:

Township 22 South, Range 31 East, N.M.P.M. Section 36:

The Pool is governed by the Division's statewide rules for oil pools, with 40 acre well units and wells to be located no closer than 330 feet to a quarter-quarter section line.

- 3. The initial well completed in the Pool had a top perforation of 10,614 feet subsurface. Therefore, the Pool has a depth bracket allowable of 320 barrels of oil per day for a standard 40 acre oil spacing and proration unit. NMAC 19.15.20.12.
- Applicant is the operator of the Ark 36 State Well No. 1H (API No. 30-015-42082), located in a horizontal well unit comprised of the W/2W/2 of Section 36. Township 22 South, Range 31 East, N.M.P.M. (the "Well"). The Well has been placed in the Pool by the Division.
 - 5. The Well is capable of producing above the Pool's oil allowable.

6. Applicant intends to drill and complete additional horizontal wells in the Pool, or within one mile thereof, including well units with two or three Bone Spring wells in a single well unit. Applicant believes that such well units will produce in excess of the current allowable.

7. Applicant requests that special rules and regulations for the Pool be established for the Pool, providing for:

(a) a special depth bracket allowable of 1,280 barrels of oil per day for a standard 40 acre oil well unit:

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

(c) the special rules and regulations for the Pool be made effective retroactive to the date of first production from the Well.

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,

lames 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. _/5272 :

Application of Devon Energy Production Company, L.P. for special pool rules, Eddy County, New Mexico. Applicant seeks an order instituting special rules and regulations for the Livingston Ridge-Bone Spring Pool, including a special depth bracket allowable of 1280 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The Livingston Ridge-Bone Spring Pool currently includes the SW/4 of Section 36, Township 22 South, Range 31 East, NMPM. Applicant further requests that the special rules and regulations be made effective retroactive to the date of first production from the Ark 36 State Well No. 1H (API No. 30-015-42082), located in the W/2W/2 of Section 36, Township 22 South, Range 31 East, NMPM. The Livingston Ridge-Bone Spring Pool is centered approximately 17-1/2 miles northeast of Harroun, New Mexico.

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