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

2015 SEP 14 P 3: 57

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR APPROVAL OF UNORTHODOX LOCATION EDDY COUNTY, NEW MEXICO.

CASE NO. 153 90

APPLICATION

Devon Energy Production Company, L.P. ("Devon"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division for an order authorizing an unorthodox well location for its **Emerald PWU 20 62H Well**. In support of its application, Devon states:

- 1. Devon (OGRID 6137) proposes to drill the **Emerald PWU 20 62H Well** within the unit boundaries of the Parkway West Unit at an unorthodox location within the S/2S/2 of Section 20, Township 19 South, Range 29 East, NMPM.
- 2. The Parkway West Unit is an approved State of New Mexico exploratory unit covering all of Sections 20, 21, 22, 27, 28 and 29, Township 19 South, Range 29 East, NMPM.
- 3. As an approved state exploratory unit, all of the lands within the Parkway West Unit comprise a standard project area under Division Rules 19.15.16.7 L. (2) and M (1).
 - 4. The ownership interests within the Parkway West Unit are uniform.

سرة

5. As operator of the Parkway West Unit Devon represents all interests within the Parkway West Unit, and has the right to drill the **Emerald PWU 20 62H Well** within the Parkway West Unit as proposed.

6. Devon proposes to drill the **Emerald PWU 20 62H Well** to a depth sufficient to test the Scanlon Draw, Bone Spring formation (3rd) (Pool No. 55510) with footages as follows:

Surface Location: 1238' FSL / 248' FWL (M)

Landing Point: 1239' FSL / 330' FWL (M)

Initial Penetration Point: 1239' FSL / 330' FWL (M)

Final Perforation: 1279' FSL / 330' FEL (P)

Terminus: 1280' FSL / 270' FEL (P)

- 7. This acreage is subject to statewide rules for defined oil pools which require wells to be located no closer than 330' from the boundary of the unit. Division Rule 19.15.15.9 A.
- 8. The proposed **Emerald PWU 20 62H Well** will be unorthodox because the surface location is closer than 330' to the western boundary of the S/2S/2 of Section 20, the completed interval will be closer than 330 feet to the northern boundary of the S/2S/2 of Section 20, and the terminus will be closer than 330 feet to the eastern boundary of the S/2S/2 of Section 20.
- 9. Devon has requested but not yet received a waiver from Read & Stevens, the offsetting operator of the E/2SE/4 of Section 19, Township 19 South, Range 29 East, NMPM. Devon is operator of all other offsetting lands, and no other waiver is required.
- 10. The proposed location of the **Emerald PWU 20 62H Well** is intended to test the feasibility of down-spacing within Section 20, Township 19 South, Range 29 East, NMPM to recover additional reserves in the Bone Spring formation not otherwise accessible.
- 11. Approval of the unorthodox location of the **Emerald PWU 20 62H Well** is in the best interests 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 October 15, 2015, and that after notice and hearing, as required by law, the Division enter its order granting this Application.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

Candace Callahan

500 Don Gaspar Avenue

Santa Fe, New Mexico 87505

(505) 983-8545 or (505) 983-8765 (direct)

(800) 886-6566 (fax)

ccallahan@bwenergylaw.com

ATTORNEYS FOR DEVON ENERGY PRODUCTION

COMPANY, L.P.

PERSONS NOTIFIED OF APPLICATION

N/2S/2 Section 20-T19S-R29E, Eddy Co., NM

Operator: Devon Energy Production Company, LP

333 West Sheridan Ave. Oklahoma City, OK 73102

NW/4SW/4, SW/4SW/4 Section 21-T19S-R29E, Eddy Co., NM

Operator: Devon Energy Production Company, LP

333 West Sheridan Ave. Oklahoma City, OK 73102

NE/4SE/4, SE/4SE/4 Section 19-T19S-R29E, Eddy Co., NM

Operator: Read & Stevens, Inc.

P.O. Box 1518

Roswell, NM 88202

CASE 1/5390

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR APPROVAL OF AN UNORTHODOX LOCATION, EDDY COUNTY, NEW MEXICO.

Applicant seeks an order authorizing an unorthodox well location for its proposed **Emerald PWU 20 62H Well,** a horizontal well to be drilled within the S/2S/2 of Section 20, Township 19 South, Range 29 East, NMPM. This location is within the Parkway West Unit, an exploratory unit approved by the State of New Mexico. Applicant proposes to drill this well to a depth sufficient to test the Scanlon Draw, Bone Spring formation (3rd) (Pool No. 55510) with footages as follows: Surface location 1238' FSL/248' FWL; Landing Point: 1239' FSL/330' FWL; Initial Penetration Point: 1239 FSL/330' FWL; Final Perforation: 1279' FSL/330' FEL; Terminus: 1280' FSL/270' FEL. The subject acreage is located approximately 15 miles northeast of Carlsbad, New Mexico.