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2015 NOV -3 P 4: 23

November 3, 2015

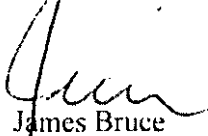
Case 15412

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., is an application for pool contraction, pool creation, and special pool rules, together with a proposed advertisement. Please set this matter for the December 3, 2015 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING NOTIFIED

Ryan Perdue
850 Amorosa Place
Venice, CA 90291

Travis Nida
1919 Limbeck Lane
Midlothian, VA 23112

Kathryn Oliviero
302 Lamp Post Lane
Camp Hill, PA 17011

Whitney Van Der Hyde
3213 Queens Grant Drive
Midlothian, VA 23113

Steven Spedden
220 Spring Crest Circle
Salisbury, MD 21804

Allison Hildebrand
30 Sandy Hill Road
Middlebury, CT 06762

Susan Eliason
3049 Mansfield Lane
Virginia Beach, VA 23457

Taryn Loyd
3300 Pond Chase Court
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Jason Oliviero
10 Buckingham Way
Bedford, NH 03110

Hal Dean
c/o Ms. Ann Creamer
P.O. Box 51307
Midland, TX 79710

Idzig
20445 SH 249, Suite 150
Houston, TX 77070

Cimarex Energy Company
202 South Cheyenne Avenue, STE 1000
Tulsa, OK 74103

CHI Operating Inc.
P.O. Box 1799
Midland, TX 79702

Read and Stevens Inc.
P.O. Box 1518
Roswell, NM 88202

Myco Industries Inc.
P.O. Box 840
Artesia, NM 88211

Legacy Reserves Operating, LP
P.O. Box 10848
Midland, TX 79702

OXY USA WTP Limited Partnership
P.O. Box 4294
Houston, TX 77210

COG Operating, LLC
600 W. Illinois Avenue
Midland, TX 79701

Stroube Energy
18208 Preston Road, Suite D9249
Dallas, TX 75252

SM Energy Company
3300 North A Street, Bldg. #7
Suite 200
Midland, TX 79705

Headington Oil Company, LP
1700 N. Redbud Drive, Ste. 400
McKinney, TX 75069

Marcia Fuller French
P. O. Box 11327
Midland, TX 79702

STRATA Production Co.
P.O. Box 1030
Roswell, NM 88202-1030

Olive Dilworth
1909 West 22nd Place
Chicago, IL 60608-4205

Merit Energy Company
13727 Noel Road, Suite 500
Dallas, TX 75240-7312

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

Magnum Hunter
600 N. Marienfeld, Suite 600
Midland, TX 79701

North American Energy
500 Crescent Court, Suite 270
Dallas, TX 75201

VF Petroleum Inc.
P.O. Box 1889
Midland, TX 79702

Warden Dilworth
3 Drake Lane
Scarborough, ME 04074-0325

Harvey M. Krueger
745 Seventh Avenue
New York, NY 10019

Mewbourne Oil Co.
P.O. Box 5270
Hobbs, NM 88241

Nicholas Lamont
244 Ridgewood Avenue
Hamden, CT 06517

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EOG Resources Inc.
P.O. Box 2267
Midland, TX 79702

Bivins Energy Corporation
4925 Greenville Avenue, Suite 814
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102 Robinson Street
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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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2015 NOV -3 P 4: 24

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR POOL CONTRACTION, POOL
CREATION, AND SPECIAL RULES AND REGULATIONS
THEREFOR, EDDY COUNTY, NEW MEXICO.

Case No. 15412

APPLICATION

Devon Energy Production Company, L.P. applies for an order (i) contracting certain Bone Spring Pools, (ii) creating a new pool for (primarily) horizontal Bone Spring development, and (iii) instituting special rules and regulations for the proposed pool, and in support thereof, states:

1. Applicant is an interest owner and operator in the following acreage in Eddy County, New Mexico:

Township 19 South, Range 29 East, N.M.P.M.

Sections 20-22: All

Sections 27-29: All

The foregoing acreage is contained in the Parkway West Unit, comprised of 3,840 acres of State land.

2. Applicant has drilled numerous First Bone Spring and Second Bone Spring wells on the acreage described in paragraph 1, and intends to drill multiple Third Bone Spring wells thereon. Applicant's drilling program is planned to properly drain reserves from the subject acreage, and obtain maximum recovery therefrom. This will result in certain wells having unorthodox locations near the center of a half section of land.

3. Currently the acreage described in paragraph 1 is considered by the Division to be within the following pools:

Section 20: All - Scanlon Draw-Bone Spring Pool

Section 21: N/2 and SE/4 - Scanlon Draw-Bone Spring Pool
SW/4 - Rattlesnake Well-Bone Spring Gas Pool

Section 22: N/2 and SE/4 - Turkey Track-Bone Spring Pool
SW/4 - No Pool

Section 27: All - Parkway-Bone Spring Pool

Section 28: All - Parkway-Bone Spring Pool

Section 29: All - Parkway-Bone Spring Pool

4. The Scanlon Draw-Bone Spring Pool and Turkey Track-Bone Spring Pool are oil pools developed on statewide rules. The Parkway-Bone Spring Pool is an oil pool developed on statewide rules, except that it has a special GOR of 10,000:1. The Rattlesnake Well-Bone Spring Gas Pool is a gas pool developed on statewide rules.

5. Under NMAC 19.15.20.12 the existing oil pools have different depth bracket oil allowables, being either 187 or 230 barrels of oil per day for a standard 40 acre well unit. These allowable are insufficient for horizontal wells, and the planned multiples wells per half section will cause or exacerbate overproduction based on the statewide allowables.

6. Based on production from vertical Bone Spring wells in the acreage described in paragraph 1, and on special pool rules established for the existing Parkway-Bone Spring Pool, the limiting gas:oil ratio ("GOR") for the proposed pool must be increased above the statewide GOR of 2,000 cubic feet of gas per barrel of oil.

7. Because of the different defined Bone Spring pools in the acreage described in paragraph 1, applicant proposes to create a new pool for Bone Spring development in that acreage, with a special provision for existing and future vertical Bone Spring development.

8. Therefore, applicant requests that the Scanlon Draw-Bone Spring Pool, Turkey Track-Bone Spring Pool, and Parkway-Bone Spring Pool be contracted so that they do not include any acreage described in paragraph 1.

9. Applicant further requests the creation of a new pool, tentatively named the West Parkway-Bone Spring Pool (the "Pool"), to initially include the acreage described in paragraph 1. Applicant requests that special rules and regulations be established for the Pool, providing for:

- (a) a standard oil spacing and proration unit of 320 acres for horizontal wells;
- (b) a standard oil spacing and proration unit of 40 acres for vertical wells;
- (c) wells to be located no closer than 330 feet to the exterior boundary of a standard horizontal well unit, with interior setbacks of 10 feet from a quarter-quarter section line;
- (d) wells to be located no closer than 330 feet to the exterior boundary of a standard vertical well unit;
- (e) a special depth bracket allowable of 4,500 barrels of oil per day for a standard horizontal 320 acre well unit;
- (f) a depth bracket allowable of 230 barrels of oil per day for a standard vertical 40 acre well unit;
- (g) a GOR of 10,000 cubic feet of gas per barrel of oil for vertical and horizontal wells; and
- (h) all other rules to be in conformance with statewide rules.

10. Applicant requests that the Rattlesnake Well-Bone Spring Gas Pool remain in place, since it is a gas pool dedicated to only one well.

11. 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", 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. 15412 :

Application of Devon Energy Production Company, L.P. for pool contraction, pool creation, and special pool rules, Eddy County, New Mexico. Applicant seeks an order creating a new pool for development of the Bone Spring formation, designated the West Parkway-Bone Spring Pool, to initially include Sections 20-22 and 27-29 of Township 19 South, Range 29 East, NMPM. Applicant further seeks the contraction of the Scanlon Draw-Bone Spring Pool, Turkey Track-Bone Spring Pool, and Parkway-Bone Spring Pool so that they do not include any acreage described above. Finally, applicant seeks special rules and regulations for the pool, including standard 40 acre vertical oil spacing and proration units, standard 320 acre horizontal oil spacing and proration units, special well location requirements for horizontal wells, special depth bracket allowables, and a gas:oil ratio of 10000:1. The proposed pool is centered approximately 13-1/2 miles south-southwest of Loco Hills, New Mexico.