

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P.
FOR A COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case No. _____

APPLICATION

Devon Energy Production Company, L.P. ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 480-acre, more or less, spacing unit comprised of the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.
2. Devon proposes and dedicates to the HSU the **War Club 2-3 Fed Com 623H Well**, the **War Club 2-3 Fed Com 624H Well**, the **War Club 2-3 Fed Com 823H Well**, and the **War Club 2-3 Fed Com 824H Well** as initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.
3. Devon proposes the **War Club 2-3 Fed Com 623H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3.

4. Devon proposes the **War Club 2-3 Fed Com 624H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3.

5. Devon proposes the **War Club 2-3 Fed Com 823H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3.

6. Devon proposes the **War Club 2-3 Fed Com 824H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3.

7. The wells proposed herein are unorthodox in their location; the take points do not comply with setback requirements in Order No. R-14262 governing the Purple Sage; Wolfcamp pool. Devon will be applying with the Division for administrative approval of the nonstandard locations.

8. A unit exists for the Devon operated Chase 2 State #001 Well (API No. 30-015-25698) which covers the W/2 of Section 2, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The Chase 2 State #001 Well is listed on the OCD site as producing from the Carlsbad; Wolfcamp, East (Gas) Pool (Pool Code: 74160). Pursuant to Order No. R-14262, this portion of the Carlsbad; Wolfcamp, East (Gas) Pool, would have become part of the Purple Sage; Wolfcamp (Gas) Pool (Pool Code: 98220), effective February 1, 2017. Therefore, this unit will overlap the proposed horizontal spacing unit in the SW/4 of Section 2. Accordingly, Devon seeks approval for the overlapping unit.

9. Devon has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

10. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

11. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Devon requests that all uncommitted interests in this HSU be pooled and that Devon be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on May 8, 2025, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 480-acre, more or less, spacing unit comprised of the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

B. Approving the **War Club 2-3 Fed Com 623H Well**, the **War Club 2-3 Fed Com 624H Well**, the **War Club 2-3 Fed Com 823H Well**, and the **War Club 2-3 Fed Com 824H Well**, as the wells for the HSU.

C. Designating Devon as operator of this HSU and the horizontal wells to be drilled thereon;

D. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;

E. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

F. Setting a 200% charge for the risk assumed by Devon in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

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***Attorneys for Devon Energy Production Company,
L.P.***

Application of Devon Energy Production Company, L.P., for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a standard 480-acre, more or less, spacing unit comprised of the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **War Club 2-3 Fed Com 623H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3; the **War Club 2-3 Fed Com 624H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3; the **War Club 2-3 Fed Com 823H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3; and the **War Club 2-3 Fed Com 824H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SW/4 (Unit K) of Section 2 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 3. The wells are unorthodox in their locations; the take points do not comply with setback requirements in Order No. R-14262 governing the Purple Sage; Wolfcamp pool. Applicant seeks approval for an overlapping spacing unit with the Chase 2 State #001 Well (API No. 30-015-25698) spacing unit. Applicant will be applying with the Division for administrative approval of the nonstandard locations. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 3 miles East of Carlsbad, New Mexico.