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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY LP FOR COMPULSORY POOLING AND APPROVAL OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO.

APPLICATION

Pursuant to NMSA § 70-2-17, Devon Energy Production Company LP, (OGRID No. 6137) ("Applicant" or "Devon") applies for an order pooling all uncommitted interests from the top of the Bone Spring formation to the base of the First Bone Spring interval, underlying a 480-acre, more or less, standard, overlapping horizonal spacing unit comprised of the W/2 E/2 of Sections 17, 20, and 29, Township 23 South, Range 34 East, Lea County, New Mexico ("Unit"). In support of its application, Devon states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the White Dove 17-29 Fed Com 203H well

("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 17 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 29.

- 3. The completed interval of the Well will be orthodox.
- 4. A depth severance exists in the Bone Spring formation within the Unit. Accordingly,

Applicant seeks to pool uncommitted interests from the top of the Bone Spring formation, at a stratigraphic equivalent of 8,643.03' MD, to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 9,981.26' MD, as observed on the Stratocaster 20 Federal #004H well log (API No. 30-025-27051).

5. The Unit will partially overlap with the spacing units for the following wells, which produce from the Antelope Ridge Bone Spring, West pool (Code 2209):

- a. Stratocaster 20 Federal #003H (API No. 30-025-41447), which is located in the W/2 E/2 of Section 20, Township 23 South, Range 34 East;
- Broadcaster 29 Federal #003H (API No. 30-025-41909), which is located in the
 W/2 E/2 of Section 29, Township 23 South, Range 34 East; and
- c. White Dove 27 Federal Com #023H (API No. 30-025-49443), which is located in the W/2 E/2 of Section 17, Township 23 South, Range 34 East.

6. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

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

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;

- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HARDY MCLEAN LLC

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ATTORNEYS FOR DEVON ENERGY PRODUCTION COMPANY LP