

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P.
FOR 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 Bone Spring formation, designated as an oil pool, underlying a 1,281.32-acre, more or less, non-standard horizontal spacing unit comprised of all of Sections 32 and 31, all in Township 21 South, Range 26 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. This Application competes with the Application filed by Mewbourne Oil Company in Case No. 25217.
3. Devon proposes and dedicates to the HSU the **Cheevers 32-31 Fed Com 221H**, the **Cheevers 32-31 Fed Com 222H**, the **Cheevers 32-31 Fed Com 223H**, and the **Cheevers 32-31 Fed Com 224H**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

4. Devon proposes the **Cheevers 32-31 Fed Com 221H** (API No. *Pending*), an oil well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in Lot 1 (the NW/4 NW/4) of Section 31;

5. Devon proposes the **Cheevers 32-31 Fed Com 222H** (API No. *Pending*), an oil well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in Lot 2 (the SW/4 NW/4) of Section 31;

6. Devon proposes the **Cheevers 32-31 Fed Com 223H** (API No. *Pending*), an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a bottom hole location in Lot 3 (the NW/4 SW/4) of Section 31;

7. Devon proposes the **Cheevers 32-31 Fed Com 224H** (API No. *Pending*), an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a bottom hole location in Lot 4 (the SW/4 SW/4) of Section 31.

8. The wells proposed herein are orthodox in their location; the take points and completed intervals will comply with setback requirements under statewide rules.

9. Devon will seek approval of the non-standard spacing unit through the Division's administrative process.

10. 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.

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

12. 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 June 5, 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 Bone Spring formation, designated as an oil pool, underlying a 1,281.32-acre, more or less, non-standard horizontal spacing unit comprised of all of Sections 32 and 31, all in Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.
- B. Approving the **Cheevers 32-31 Fed Com 221H**, the **Cheevers 32-31 Fed Com 222H**, the **Cheevers 32-31 Fed Com 223H**, and the **Cheevers 32-31 Fed Com 224H**, 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 Bone Spring formation, designated as an oil pool, underlying a 1,281.32-acre, more or less, non-standard horizontal spacing unit comprised of all of Sections 32 and 31, in Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Cheevers 32-31 Fed Com 221H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in Lot 1 (the NW/4 NW/4) of Section 31; the **Cheevers 32-31 Fed Com 222H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in Lot 2 (the SW/4 NW/4) of Section 31; the **Cheevers 32-31 Fed Com 223H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a bottom hole location in Lot 3 (the NW/4 SW/4) of Section 31; and the **Cheevers 32-31 Fed Com 224H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a bottom hole location in Lot 4 (the SW/4 SW/4) of Section 31. The wells are orthodox in their locations; the take points and completed intervals will comply with setback requirements under statewide rules. Applicant will seek approval of the non-standard spacing unit through the Division's administrative process. 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 adjacent to the southern state line and approximately 5 miles West of Carlsbad, New Mexico.