

**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 standard 640-acre, more or less, spacing unit comprised of the S/2 of Sections 15 and 16, all in Township 21 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 **Cedar Hills 15-16 State Com 335H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.
3. Devon proposes the **Cedar Hills 15-16 State Com 335H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16. The **Cedar Hills 15-16 State Com 335H Well**, is the proximity well, positioned so the unit can include proximity tracts, thereby incorporating the S/2 S/2 of Sections 15 and 16.

4. The well proposed herein is orthodox in its location; the take points and completed intervals will comply with setback requirements under statewide rules.

5. 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.

6. 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.

7. 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 well and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on September 11, 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 standard 640-acre, more or less, spacing unit comprised of the S/2 of Sections 15 and 16, all in Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico.

B. Approving the **Cedar Hills 15-16 State Com 335H Well**, as the well for the HSU.

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

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

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 well 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 standard 640-acre, more or less, spacing unit comprised of the S/2 of Sections 15 and 16, all in Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Cedar Hills 15-16 State Com 335H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 14 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 16. The **Cedar Hills 15-16 State Com 335H Well**, is the proximity well, positioned so the unit can include proximity tracts. The well is orthodox in its locations; the take points and completed intervals will comply with setback requirements under statewide rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 5.4 miles North-Northeast of Carlsbad, New Mexico.