

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P.
FOR COMPULSORY POOLING,
LEA 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 underlying a standard 960-acre, more or less, spacing unit comprised of the E/2 of Sections 23, 26, and 35, Township 23 South, Range 33 East, NMPM, Lea 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 wells thereon.
2. Devon proposes and dedicates to the HSU the **Sea Snake 35-23 Fed Com 26H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.
3. Devon proposes the **Sea Snake 35-23 Fed Com 26H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 35 to an approximate bottom hole location in or near the NW/4 NE/4 (Unit B) of Section 23. The **Sea Snake 35-23 Fed Com 26H Well**’s completed interval will be located within 330 feet of the quarter-quarter section line separating the W/2 E/2 and E/2 E/2 of Sections 23, 26, and 35, thereby allowing

the E/2 E/2 tracts to be included as proximity tracts to form a standard 960-acre horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC..

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

5. The unit proposed herein by Devon is a standard spacing unit.

6. 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 well or in the commitment of their interests to the well for its development within the proposed HSU.

7. 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.

8. 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 August 6, 2026, 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 underlying a standard 960-acre, more or less, spacing unit comprised of the E/2 of Sections 23, 26, and 35, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico.

B. Approving the **Sea Snake 35-23 Fed Com 26H 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 against any working interest owner who elects not to participate in the drilling and completing of the well.

Respectfully submitted,

ABADIE & SCHILL, PC

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Application of Devon Energy Production Company, L.P., for Compulsory Pooling, Lea 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 underlying a standard 960-acre, more or less, spacing unit comprised of the E/2 of Section 23, the E/2 of Section 26 and the E/2 of Section 35, in Township 23 South, Range 33 East, NMPM, Lea County, New Mexico. The proposed well to be dedicated to the horizontal spacing unit is the **Sea Snake 35-23 Fed Com 26H Well** to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 35 to an approximate bottom hole location in or near the NW/4 NE/4 (Unit B) of Section 23. The well is orthodox in its location, as the take points and completed intervals will comply with setback requirements under statewide rules. The proposed unit is a standard spacing unit. The completed interval of the Sea Snake 35-23 Fed Com 26H Well will be located within 330 feet of the quarter-quarter section line separating the W/2 E/2 and E/2 E/2 of Sections 23, 26, and 35, thereby allowing the E/2 E/2 tracts to be included as proximity tracts to form a standard 960-acre horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC. 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 38 miles southwest of Hobbs, New Mexico.