



November 15, 2005

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13603

2005 NOV 15 PM 4 41

Re: Application of Devon Energy Corporation for compulsory pooling, Eddy County,
New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of Devon Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Devon Energy Corporation requests that this matter be placed on the docket for the December 15, 2005 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Ms. Meg Muhlinghaus
Land Advisor
Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

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

**IN THE MATTER OF THE APPLICATION
OF DEVON ENERGY CORPORATION
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 13603

2005 NOV 15 PM 4 11

APPLICATION

DEVON ENERGY CORPORATION ("Devon") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17(C), for an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent, and in support thereof states:

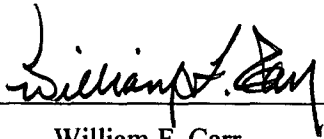
1. Devon is a working interest owner in the W/2 of said Section 6 and has the right to drill thereon.
2. Devon proposes to dedicate the above-referenced spacing and proration units to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the west line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation.
3. Devon has sought and been unable to obtain voluntary agreement for the development of these lands from other interest owners identified on Exhibit A to this application.
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
5. In order to permit Devon the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Devon Energy Corporation should be designated the operator of the well.

WHEREFORE, Devon Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 15, 2005 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing units,
- B. designating Devon Energy Corporation operator of this spacing unit and the well thereon,
- C. authorizing Devon to recover its costs, if any, of drilling, equipping and completing the well,
- D. approving the 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
- E. imposing a 200% penalty on any working interest owner's share of the costs of drilling and completing the well incurred by Devon, if any, against any such owner that does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR DEVON ENERGY
CORPORATION

Exhibit A

**Application of Devon Energy Corporation
for Compulsory Pooling
Eddy County, New Mexico.**

(1725 Federal Com Well No. 61)
Section 6:Unit Letter D
Township 17 South, Range 25 East, NMPM
Eddy County, New Mexico.

LCX Energy, LLC
110 North Marienfeld
Suite 200
Midland, Texas 79701

EOG Resources, Inc.
Post Office Box 2267
Midland, Texas 79702

CASE 13603: Application of Devon Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the west line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of Devon Energy Corporation as operator of the well and imposition of a 200% penalty on any working interest owner's share of the costs of drilling and completing the well incurred by Devon, if any, against any working interest owner who does not voluntarily participate in the well. Said area is located approximately 7 miles west of Artesia, New Mexico.



November 15, 2005

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ALL AFFECTED INTEREST OWNERS:

Re: Application of Devon Energy Corporation for compulsory pooling, Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Devon Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the west line of said Section 6 to an appropriate depth to then be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation.

This application has been set for hearing before a Division Examiner on December 15, 2005. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement four days in advance of a scheduled hearing, but no later than the Thursday preceding the hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their



attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr".

William F. Carr
DEVON ENERGY CORPORATION

cc: Ms. Meg Muhlinghouse
Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260