JAMES BRUCE ATTORNEY AT LAW

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jamesbruc@aol.com

October 24, 2007

Case 14031 Florene Davidson Oil Conservation Division

Dear Florene:

1220 South St. Francis Drive Santa Fe, New Mexico 87505

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the November 29, 2007 Examiner hearing. Thank you.

Very truly yours,

Attorney for Devon Energy Production Company, L.P.

PERSONS BEING POOLED

CTV NM O&G LLC Keystone O&G NM LLC LMBI LP SRBI O&G NM LLC Thru Line O&G NM LLC

c/o BEPCO, L.P. Suite 2700 201 Main Street Fort Worth, Texas 76102

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

Case No. 14031

APPLICATION

Devon Energy Production Company, L.P. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W½ of Section Township 22 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the W½ of Section 8, and has the right to drill a well thereon.
- 2. Applicant proposes to drill its Dublin 8 Fee Com. Well No. 2, at an orthodox gas well location in the SW¼SW¼ of Section 8, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
 - (a) the SW¼ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
 - (b) the W½ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Dublin Ranch-Morrow Gas Pool.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W\frac{1}{2}$ of Section 8 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to

the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the $W\frac{1}{2}$ of Section 8, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the W½ of Section 8 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the $W\frac{1}{2}$ of Section 8, from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Devon Energy Production Company, L.P.

PROPOSED ADVERTISEMENT

14031 : Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 8, Township 22 South, Range 28 East, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Dublin Ranch-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Dublin 8 Fee Com. Well No. 2, to be drilled at an orthodox gas well location in the SW/4SW/4 of Section 8. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles northeast of Otis, New Mexico.

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