

**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, designated as an oil pool, underlying a standard 640-acre, more or less, spacing unit comprised of the W/2 of Sections 22 and 27, all in Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. To the extent necessary, Devon also seeks to reopen Case No. 23119 in which the Division pooled all interests in the Bone Spring formation underlying the E/2 W/2 of Sections 22 and 27 for the limited purpose of vacating and supplanting Order No. R-22550 with the new pooling order issued under this Application. 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 **Haflinger 22-27 Fed Com 100H Well**, the **Haflinger 22-27 Fed Com 121H Well**, the **Haflinger 22-27 Fed Com 125H Well**, the **Haflinger 22-27 Fed Com 231H Well**, the **Haflinger 22-27 Fed Com 232H Well**, the **Haflinger 22-27 Fed Com 233H Well**, the **Haflinger 22-27 Fed Com 300H Well**, the **Haflinger 22-27 Fed**

Com 303H Well, the **Haflinger 22-27 Fed Com 520H Well**, the **Haflinger 22-27 Fed Com 521H Well**, the **Haflinger 22-27 Fed Com 522H Well**, the **Haflinger 22-27 Fed Com 524H Well**, the **Haflinger 22-27 Fed Com 525H Well**, and the **Haflinger 22-27 Fed Com 526H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Devon proposes the **Haflinger 22-27 Fed Com 100H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

4. Devon proposes the **Haflinger 22-27 Fed Com 121H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

5. Devon proposes the **Haflinger 22-27 Fed Com 125H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

6. Devon proposes the **Haflinger 22-27 Fed Com 231H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

7. Devon proposes the **Haflinger 22-27 Fed Com 232H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27. The **Haflinger 22-27 Fed Com 232H Well** is the proximity well, positioned so the unit can include proximity tracts, thereby incorporating the E/2 W/2 of Sections 22 and 27.

8. Devon proposes the **Haflinger 22-27 Fed Com 233H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

9. Devon proposes the **Haflinger 22-27 Fed Com 300H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

10. Devon proposes the **Haflinger 22-27 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

11. Devon proposes the **Haflinger 22-27 Fed Com 520H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

12. Devon proposes the **Haflinger 22-27 Fed Com 521H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

13. Devon proposes the **Haflinger 22-27 Fed Com 522H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

14. Devon proposes the **Haflinger 22-27 Fed Com 524H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

15. Devon proposes the **Haflinger 22-27 Fed Com 525H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

16. Devon proposes the **Haflinger 22-27 Fed Com 526H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

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

18. Devon previously pooled the Bone Spring underlying the E/2 W/2 of Sections 22 and 27 under Order No. R-22550. Devon dedicated the **Haflinger 22-27 Fed Com 304H Well** to the spacing unit created under Order No. R-22550. Devon seeks to have Order No. R-22550 vacated and replaced with the order issued in this case. Accordingly, Devon intends to rededicate the **Haflinger 22-27 Fed Com 304H Well** to the spacing unit proposed herein.

19. 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.

20. 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.

21. 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 May 8, 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 W/2 of Sections 22 and 27, all in Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

B. Approving the **Haflinger 22-27 Fed Com 100H Well**, the **Haflinger 22-27 Fed Com 121H Well**, the **Haflinger 22-27 Fed Com 125H Well**, the **Haflinger 22-27 Fed Com 231H Well**, the **Haflinger 22-27 Fed Com 232H Well**, the **Haflinger 22-27 Fed Com 233H Well**, the **Haflinger 22-27 Fed Com 300H Well**, the **Haflinger 22-27 Fed Com 303H Well**, the **Haflinger 22-27 Fed Com 520H Well**, the **Haflinger 22-27 Fed Com 521H Well**, the **Haflinger 22-27 Fed Com 522H Well**, the **Haflinger 22-27 Fed Com 524H Well**, the **Haflinger 22-27 Fed Com 525H Well**, and the **Haflinger 22-27 Fed Com 526H Well**, as the wells for the HSU.

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

D. Vacating Order No. R-22550 and replacing it with the order issued in this Case.

E. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;

F. 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

G. 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,

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**Attorneys for Devon Energy Production
Company, L.P.**

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, designated as an oil pool, underlying a standard 640-acre, more or less, spacing unit comprised of the W/2 of Sections 22 and 27, all in Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Haflinger 22-27 Fed Com 100H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Haflinger 22-27 Fed Com 121H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; the **Haflinger 22-27 Fed Com 125H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Haflinger 22-27 Fed Com 231H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; the **Haflinger 22-27 Fed Com 232H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Haflinger 22-27 Fed Com 233H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Haflinger 22-27 Fed Com 300H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Haflinger 22-27 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; the **Haflinger 22-27 Fed Com 520H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; the **Haflinger 22-27 Fed Com 521H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; the **Haflinger 22-27 Fed Com 522H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; the **Haflinger 22-27 Fed Com 524H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Haflinger 22-27 Fed Com 525H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; and the **Haflinger 22-27 Fed Com 526H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27. The **Haflinger 22-27 Fed Com 232H Well** is the proximity well and proximity tracts will be utilized. The wells are orthodox in their locations; the take points and completed intervals will comply with setback requirements under statewide rules. Applicant seeks to vacate and replace Order No. R-22550 which pooled all uncommitted interests in the Bone Spring underlying the E/2 W/2 of Sections 22 and 27 and intends to rededicate the **Haflinger 22-27 Fed Com 304H Well** to the spacing unit proposed herein. 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 approximately 38 miles Southeast of Carlsbad, New Mexico.