

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY
POOLING, AND APPROVAL OF OVERLAPPING
SPACING UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Devon Energy Production Company, L.P. (OGRID No. 6137) (“Devon” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 26 South, Range 31 East, Eddy County, New Mexico (“Unit”). In support of this application, Devon states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the **Shetland 2-11 Fed Com 234H** and **Shetland 2-11 Fed Com 304H** wells (“Wells”), which will be drilled from surface hole locations in the NE/4 NE/4 (Unit A) of Section 2 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 11.
3. The completed intervals of the Wells will be orthodox.
4. The spacing unit for the Wells will partially overlap with the spacing units for the following wells, which are located in the W/2 E/2 of Section 2, and produce from the Jennings; Bone Spring, West Pool (Code 97860):
 - a. Snapping 2 State 6H well (API No. 30-015-39162);
 - b. Snapping 2 State 7H well (API No. 30-015-39163); and
 - c. Snapping 2 State 12H well (API No. 30-015-43042).

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Approving the overlapping spacing Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- F. Approving the actual 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
- G. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

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