

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

**APPLICATION OF DEVON ENERGY
PRODUCITON COMPANY, L.P., FOR
COMPULSORY POOLING, AND NON-STANDARD
SPACING IN LEA COUNTY, NEW MEXICO**

CASE NO. _____

**APPLICATION FOR COMPULSORY POOLING,
AND NON-STANDARD SPACING UNIT**

DEVON ENERGY PRODUCTION COMPANY, L.P., applies for an order pooling all mineral interests within the Wolfcamp (Pool Code 98248) and Bone Spring formations (Pool Code 97899), underlying E/2 of Sections 20 and 29, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Applicant states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following four initial wells:

A. **Rebel Scum 20-29 Fed Com 613H**

The surface location for this well is proposed to be approximately 1670' FEL and 190' FNL, Section 20-T24S-R32E, and a bottom hole location at approximately 1670' FEL and 20' FSL, Section 29-T24S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 20 and the E/2 of Section 29-T24S-R32E, Lea County, New Mexico.

B. **Rebel Scum 20-29 Fed Com 614H**

The surface location for this well is proposed to be approximately 570' FEL and 190' FNL, Section 20-T24S-R32E, and a bottom hole location at approximately 330' FEL and 20' FSL, Section 29-T24S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 20 and the E/2 of Section 29-T24S-R32E, Lea County, New Mexico.

C. **Rebel Scum 20-29 Fed Com 713H**

The surface location for this well is proposed to be approximately 1700' FEL and 190' FNL, Section 20-T24S-R32E, and a bottom hole location at approximately 2310' FEL and 20' FSL section 29-T24S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 20 and the E/2 of Section 29-T24S-R32E, Lea County, New Mexico.

D. **Rebel Scum 20-29 Fed Com 714H**

The surface location for this well is proposed to be approximately 660' FEL and 190' FNL, Section 20-T24S-R32E, and a bottom hole location at approximately 990' FEL and 20' FSL, Section 29-T24S-R32E. The dedicated horizontal spacing unit will be the E/2 of Section 20 and the E/2 of Section 29-T24S-R32E, Lea County, New Mexico.

E. **Rebel Scum 20-29 Fed Com 333H**

The surface location for this well is proposed to be approximately 1630' FEL and 190' FNL, Section 20-T24S-R32E, and a bottom hole location at approximately 1650' FEL and 20' FSL, Section 29-T24S-R32E. The dedicated horizontal spacing unit will be the W/2E/2 of Section 20 and the W/2E/2 of Section 29-T24S-R32E, Lea County, New Mexico.

F. **Rebel Scum 20-29 Fed Com 334H**

The surface location for this well is proposed to be approximately 540' FEL and 190' FNL, Section 20-T24S-R32E, and a bottom hole location at approximately 330' FEL and 20' FSL, Section 29-T24S-R32E. The dedicated horizontal spacing unit will be the E/2E/2 of Section 20 and the E/2E/2 of Section 29-T24S-R32E, Lea County, New Mexico.

3. Because the proposed wells will be continuously drilled and completed, Applicant requests an extension of the time period to drill and complete the initial wells from 120 days to 365 days.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

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

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

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

- A. Pooling all uncommitted interests in this horizontal spacing unit;
- B. Approving four initial horizontal wells in this spacing unit;
- C. Authorizing an extension of the 120-day requirement to drill and complete the initial wells on this horizontal spacing unit;
- D. Designating Applicant operator of this spacing unit and the horizontal 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 completing, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and;
- G. Imposing a 200% charge for 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.

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