

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P., FOR A COMPULSORY POOLING,
EDDY 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, Section 70-2-17, for an order (1) creating, to the extent necessary, a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 15 and 22, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying said unit.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Devon dedicates to the HSU four initial wells, the **Shire 22-15 Fed Com 613H Well, Shire 22-15 Fed Com 618H Well, Shire 22-15 Fed Com 718H Well, and Shire 22-15 Fed Com 733H Well.**

3. Devon dedicates the **Shire 22-15 Fed Com 613H Well** (API 30-015-47328) horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 15.

4. Devon dedicates the **Shire 22-15 Fed Com 618H Well** (API 30-015-47282) horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15.

5. Devon dedicates the **Shire 22-15 Fed Com 718H Well** (API 30-015-47330) horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15.

6. Devon dedicates the **Shire 22-15 Fed Com 733H Well** (API 30-015-47361) horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 15.

7. The wells have nonstandard locations, as the take points are 100' from the outer boundary of the unit. NSL applications for these wells have been submitted to and approved administratively by the Division.

8. 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 its development within the proposed HSU.

9. The pooling of all interests in the Wolfcamp formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

10. 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 September 9, 2021, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Approving to the extent necessary the creation of a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 15 and 22, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU.

C. Approving the **Shire 22-15 Fed Com 613H Well, Shire 22-15 Fed Com 618H Well, Shire 22-15 Fed Com 718H Well, and Shire 22-15 Fed Com 733H Well** as the wells for the HSU.

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

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 well.

Respectfully submitted,

ABADIE & SCHILL, PC

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

Application of Devon Energy Production Company, L.P. for a Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating to the extent necessary a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 15 and 22, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation, a gas pool, underlying the unit. The proposed wells to be dedicated to the horizontal spacing unit are the **Shire 22-15 Fed Com 613H Well** horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 15; **Shire 22-15 Fed Com 618H Well** horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15; **Shire 22-15 Fed Com 718H Well** horizontally drilled from a surface location in SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 15; and the **Shire 22-15 Fed Com 733H Well** horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 22 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 15. The wells have nonstandard locations; the take points are 100' from the outer-boundary of the unit and NSL approval has been applied for administratively and obtained; 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 well. The wells and lands are located approximately 4.5 miles southeast of Carlsbad, New Mexico.