

**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 ORDER
REPLACING AND REVOKING
ORDER NOS. R-21249 AND R-21250,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Devon Energy Production Company, L.P. (“Devon” or “Applicant”) (OGRID No. 6137), through its undersigned attorneys, files this application with the Oil Conservation Division, pursuant to the provisions of NMSA 1978, § 70-2-17, for a compulsory pooling order revoking and replacing pooling Order Nos. 21249 and 21250 with a single order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 1,280-acre, more or less, horizontal spacing unit comprised of Sections 2 and 11, all in Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Devon states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant previously obtained separate orders pooling the Wolfcamp formation in the W/2 of said Sections 2 and 11 in Order No. 21250, and the E/2 of said Sections 2 and 11 in Order No. 21249 (collectively, the “Orders”).
3. The as-drilled location for one of Devon’s initial proposed wells under Order No. 21250, the **Shetland 11-2 Fed State Com 732H well**, was drilled into and

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
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completed within the E/2 spacing unit governed by Order No. 21249 and the W/2 spacing unit governed by Order No. 21250. The completed interval of the **Shetland 11-2 Fed State Com 732H well**, however, is within 330 feet of the E/2 and W/2 spacing units governed by the Orders.

4. To rectify the situation, Devon seeks an order revoking the existing Orders and replacing them with a single pooling order creating a standard 1,280-acre, more or less, horizontal spacing unit comprised of all of Sections 2 and 11.

5. Applicant therefore seeks to dedicate the proposed 1,280-acre horizontal spacing unit to the following initial drilled and producing wells:

- a. **Shetland 11-2 Fed State Com 611H** (API No. 30-015-47139) drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 11 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 2;
- b. **Shetland 11-2 Fed State Com 711H** (API No. 30-015-47156) drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 11 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 2;
- c. **Shetland 11-2 Fed State Com 712H** (API No. 30-015-47157) drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 11 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 2;
- d. **Shetland 11-2 Fed State Com 732H** (API No. 30-015-47159) drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 11 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 2; and

e. **Shetland 11-2 Fed State Com 613H** (API No. 30-015-47172) drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 11 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 2.

6. The completed interval of the **Shetland 11-2 Fed State Com 732H** will remain within 330 feet of the quarter-quarter line separating the W/2 from the E/2 of Sections 2 and 11 to allow inclusion of these proximity tracts into a standard horizontal spacing unit.

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

8. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

9. 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 the proposed horizontal wells and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Revoking Order Nos. 21249 and 21250;
- B. Replacing Order Nos. 21249 and 21250 with an order pooling all uncommitted interests in the Wolfcamp formation underlying the proposed horizontal spacing unit;
- B. Approving the initial wells in the horizontal well spacing unit;

- C. Designating Applicant as the operator of the horizontal spacing unit and the wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the wells;
- E. 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
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

**ATTORNEYS FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**