

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P., FOR 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, seeking an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 480-acre, more or less, spacing and proration unit comprised of S/2 S/2 (aka Units M - P) of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Sections 1, 2, and 3 are irregular sections containing correction lots.

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 **Burton Flat 3-1 Fed State Com 339H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.
3. Devon proposes the **Burton Flat 3-1 Fed State Com 339H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 3, Township 21 South, Range 27 East to a bottom hole location in SE/4 SE/4 (Unit P) of Section 1, Township 21 South, Range 27 East.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

5. Devon has noted two (2) existing units that overlap the proposed HSU: the Burton Flat Deep 58H Well (API No. 30-015-41057), covering the S/2 S/2 of Section 3; and the Burton Flat Deep 54H Well (API No. 30-015-40503), covering the S/2 S/2 of Section 2. Accordingly, Devon seeks approval for these overlapping units pursuant to NMAC 19.15.16.15(B)(9)(b).

6. 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 well or in the commitment of their interests to the well for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU, and the establishment of the standard spacing unit, will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. 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 well and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on November 2, 2023, 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 480-acre, more or less, spacing and proration unit comprised of S/2 S/2 (aka Units M - P) of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico;

- B. Approving the **Burton Flat 3-1 Fed State Com 339H Well** as the well for the HSU.
- C. Approving the overlapping units listed above in Paragraph 5.
- D. Designating Devon as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Devon to recover its costs of drilling, equipping, and completing the well;
- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

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

Application of Devon Energy Production Company, L.P., for Compulsory Pooling, Eddy 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 480-acre, more or less, spacing and proration unit comprised of the S/2 S/2 (aka Units M - P) of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Sections 1, 2, and 3 are irregular sections containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Burton Flat 3-1 Fed State Com 339H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 3 to a bottom hole location in SE/4 SE/4 (Unit P) of Section 1. The well will be orthodox in location, and the take points and completed interval will comply with the setback requirements under the statewide Rules. Applicant seeks approval of overlapping units involving the Burton Flat Deep 58H Well (API No. 30-015-41057) in the S/2 S/2 of Section 3, and Burton Flat Deep 54H Well (API No. 30-015-40503) in the S/2 S/2 of Section 2. Also to be considered will be approval for the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles northeast of Carlsbad, New Mexico.