

**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” or “Applicant”) (OGRID No. 6137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre standard horizontal spacing unit comprised of the W/2 E/2 of Section 16, Township 23 South, Range 31 East, NMPM, 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 seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Cat Island 16 State #233H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 16, with a first take point in the SW/4 SE/4 of Section 16 (Unit O) and a last take point in the NW/4 NE/4 (Unit B) of Section 16.
3. 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.
4. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal spacing unit;
- B. Approving the initial well in the horizontal well spacing unit;
- C. Designating Applicant as the operator of the horizontal spacing unit and the well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- 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,

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

CASE _____: **Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre standard horizontal spacing unit comprised of the W/2 E/2 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Cat Island 16 State #233H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 16, with a first take point in the SW/4 SE/4 of Section 16 (Unit O) and a last take point in the NW/4 NE/4 (Unit B) of Section 16. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 26 miles southeast of Carlsbad, New Mexico.