

**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, § 70-2-17, for an order pooling all uncommitted mineral interests in the Wolfcamp formation, designated as a gas pool, underlying a 800-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Sections 33 and 34, and the SW/4 of Section 35, all in Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. 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. This Application competes with the Application filed by Mewbourne Oil Company in Case No. 25234.
3. Devon proposes and dedicates to the HSU the **Red Prime 33-35 Fed Com 623H**, and the **Red Prime 33-35 Fed Com 624H**, as initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.

4. Devon proposes the **Red Prime 33-35 Fed Com 623H** (API No. *Pending*), a gas well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 32 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 35;

5. Devon proposes the **Red Prime 33-35 Fed Com 624H** (API No. *Pending*), a gas well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 32 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 35.

6. The wells proposed herein are unorthodox in their location; the take points will not comply with setback requirements under statewide rules. Accordingly, Devon will apply for approval of the non-standard locations through the Division's administrative process.

7. 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 their development within the proposed HSU.

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

9. 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 June 5, 2025, 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 Wolfcamp formation, designated as a gas pool, underlying an 800-acre, more or less, standard horizontal spacing unit

- comprised of the S/2 of Sections 33 and 34, and the SW/4 of Section 35, all in Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.
- B. Approving the **Red Prime 33-35 Fed Com 623H**, and the **Red Prime 33-35 Fed Com 624H**, as the wells for the HSU.
 - C. Designating Devon as operator of this HSU and the horizontal wells to be drilled thereon;
 - D. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;
 - E. 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
 - F. 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 wells.

Respectfully submitted,

ABADIE & SCHILL, PC

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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 Wolfcamp formation, designated as a gas pool, underlying a 800-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Sections 33 and 34, and the SW/4 of Section 35, all in Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Red Prime 33-35 Fed Com 623H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 32 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 35; and the **Red Prime 33-35 Fed Com 624H Well**, a gas well, to be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 32 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 35. The wells are unorthodox in their locations; the take points will not comply with setback requirements under statewide rules. Applicant will apply for administrative approval of the non-standard locations. 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 wells. The wells and lands are located approximately 1.8 miles West of Carlsbad, New Mexico.