

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR COMPULSORY POOLING, LEA 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 Bone Spring formation underlying a 400-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Sections 4 and 9 and the E/2 NE/4 of Section 16 Township 23 South, Range 32 East, NMPM, Lea 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 dedicate the above-referenced horizontal spacing unit to the **Bigger Cat 16-4 State Fed Com 514H** well and the **Bigger Cat 16-4 State Fed Com 524H** well, both of which will be horizontally drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 4.
3. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

4. 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.

5. 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 this 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 June 11, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Bone Spring 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
- G. 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 wells.

Respectfully submitted,

HOLLAND & HART LLP



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

CASE _____: **Application of Devon Energy Production Company, L.P. for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 400-acre standard horizontal spacing unit comprised of the E/2 E/2 of Sections 4 and 9 and the E/2 NE/4 of Section 16 Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the **Bigger Cat 16-4 State Fed Com 514H** well and the **Bigger Cat 16-4 State Fed Com 524H** well, both of which will be horizontally drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 16 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 4. Also to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the wells. Said area is located approximately 24 miles east of Loving, New Mexico.