

**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. (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 Wolfcamp formation [WC-015 G-08 S233102C; Wolfcamp (Pool Code 98123)] underlying a standard 319.45-acre, more or less, horizontal well spacing unit comprised of the E/2 E/2 of Sections 3 and 10, 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 **Aleutian 10-3 Fed Com 614H**, **Aleutian 10-3 Fed Com 704H** and the **Aleutian 10-3 Fed Com 814H** wells to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 10 to bottom hole locations in the NE/4 NE/4 (Lot 1) of Section 3.
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. To allow 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 May 5, 2022, and, after notice and hearing as required by law, the Division enter an order:

- A. 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 wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

By: _____

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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 interest owners in the Wolfcamp formation underlying a standard 319.45-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Sections 3 and 10, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Aleutian 10-3 Fed Com 614H**, **Aleutian 10-3 Fed Com 704H** and the **Aleutian 10-3 Fed Com 814H** wells to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 10 to bottom hole locations in the NE/4 NE/4 (Lot 1) of Section 3. 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 30 miles southeast of Carlsbad, New Mexico.

[DATE]

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico: Aleutian 10-3 Fed Com 614H, 704H and 814H wells

Ladies & Gentlemen:

This letter is to advise you that Devon Energy Production Company, L.P. has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. Applicant has requested a hearing for this matter on May 5, 2022, beginning at 8:15 a.m. To monitor this case and to participate in the electronic hearing, please see the instructions posted on the OCD Hearings website at: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division, by mail at 1220 S. St. Francis Dr., Santa Fe, New Mexico 87505 or by email at OCD.Hearings@state.nm.us, and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Katie Adams at (405) 552-6659 or at Katie.Adams@dvn.com.

Sincerely,

Michael H. Feldewert
ATTORNEY FOR DEVON ENERGY PRODUCTION COMPANY, L.P.

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