

**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 Wolfcamp formation, designated as a gas pool, underlying a standard 640-acre, more or less, spacing and proration unit comprised of the S/2 of Sections 11 and 10, Township 22 South, Range 27 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. Devon proposes and dedicates to the HSU the **Atlatl 11-10 Fed Com 623H Well**, and the **Atlatl 11-10 Fed Com 624H Well**, as the initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.
3. Devon proposes the **Atlatl 11-10 Fed Com 623H Well**, a gas well, to be horizontally drilled from a surface location in NE/4 SE/4 (Unit I) of Section 11, Township 22 South, Range 27 East to a bottom hole location in NW/4 SW/4 (Unit L) of Section 10, Township 22 South, Range 27 East.
4. Devon proposes **Atlatl 11-10 Fed Com 624H Well**, a gas well, to be horizontally drilled from a surface location in NE/4 SE/4 (Unit I) of Section 11, Township 22 South, Range 27

East to a bottom hole location in SW/4 SW/4 (Unit M) of Section 10, Township 22 South, Range 27 East.

5. The **Atlatl 11-10 Fed Com 623H Well** and **Atlatl 11-10 Fed Com 624H Well** are unorthodox in their locations, as their take points do not comply with setback requirements under the special Division rules for the Purple Sage; Wolfcamp Pool, which are set out in Order No. R-14262. Thus, Devon will be applying for administrative approval of the nonstandard locations.

6. A review of records shows certain overlapping units. First, Devon references Order No. R-8761 which pooled owners in all or part of the Wolfcamp underlying a spacing unit that covers the W/2 of Section 11, involving gas well Chase 11 Federal Com #001 (API No. 30-015-25998) and Communitization Agreement (“CA”) NMNM 82109 also covering the W/2 of Section 11 for said well. Secondly, there is CA NMNM 109712 which covers the E/2 of Section 10 involving COG Oil & Gas LP as operator that also may involve part of the Wolfcamp formation. Devon seeks approval for these overlapping units to the extent that they impact Devon’s proposed unit herein.

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 January 4, 2024, 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 a standard 640-acre, more or less, spacing and proration unit comprised of the S/2 of Sections 11 and 10, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Approving the **Atlatl 11-10 Fed Com 623H Well** and the **Atlatl 11-10 Fed Com 624H Well** 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,

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**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 Wolfcamp formation, designated as a gas pool, underlying a standard 640-acre, more or less, spacing and proration unit comprised of the S/2 of Sections 11 and 10, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Atlal 11-10 Fed Com 623H Well**, a gas well, to be horizontally drilled from a surface location in NE/4 SE/4 (Unit I) of Section 11 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 10; and the **Atlal 11-10 Fed Com 624H Well**, a gas well, to be horizontally drilled from a surface location in NE/4 SE/4 (Unit I) of Section 11 to a bottom hole location in SW/4 SW/4 (Unit M) of Section 10. The **623H Well** and **624H Well** will be unorthodox in their locations since their take points do not comply with setback requirements under special Division rules for the Wolfcamp Pool, as described in Order No. R-14262; therefore, Devon will be applying for administrative approval of the nonstandard locations. Furthermore, Devon seeks approval for overlapping units in the E/2 of Section 10 and the W/2 of Section 11. Also to be considered will be approval for 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 2.5 miles East of Carlsbad, New Mexico.