

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
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”), 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, for an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a non-standard 960-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 15, 22, and 27, all in Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Devon proposes and dedicates to the HSU the **Grumpy Cat 15-27 Fed Com 521H Well**, the **Grumpy Cat 15-27 Fed Com 522H Well**, the **Grumpy Cat 15-27 Fed Com 531H Well**, and the **Grumpy Cat 15-27 Fed Com 532H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.
3. Devon proposes the **Grumpy Cat 15-27 Fed Com 521H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

4. Devon proposes the **Grumpy Cat 15-27 Fed Com 522H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

5. Devon proposes the **Grumpy Cat 15-27 Fed Com 531H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

6. Devon proposes the **Grumpy Cat 15-27 Fed Com 532H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

7. The proposed wells are orthodox in their location, and their take points and completed intervals comply with setback requirements under the statewide rules.

8. There exist overlapping units, as follows: The Grumpy Cat 15-22 Fed Com 211H (API 30-025-45730) in the W/2 W/2 of Sections 15 and 22, and the Grumpy Cat 15-22 Fed Com 212H (API 30-025-45731) in the E/2 W/2 of Sections 15 and 22. Devon seeks approval of these overlapping units.

9. The proposed HSU underlying the W/2 of Sections 15, 22 and 27 is a non-standard spacing unit, and Devon will be seeking administrative approval of the non-standard unit through a separate NSP application.

10. 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 well or in the commitment of their interests to the well for their development within the proposed HSU.

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

12. 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 March 7, 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 Bone Spring formation underlying a non-standard 960-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 15, 22, and 27, all in Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

B. Approving the **Grumpy Cat 15-27 Fed Com 521H Well**, the **Grumpy Cat 15-27 Fed Com 522H Well**, the **Grumpy Cat 15-27 Fed Com 531H Well**, and the **Grumpy Cat 15-27 Fed Com 532H 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 well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Devon Energy Production  
Company, L.P.**

***Application of Devon Energy Production Company, L.P., for Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a non-standard 960-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 15, 22, and 27, all in Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Grumpy Cat 15-27 Fed Com 521H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; **Grumpy Cat 15-27 Fed Com 522H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27; the **Grumpy Cat 15-27 Fed Com 531H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27; and the **Grumpy Cat 15-27 Fed Com 532H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27. All the proposed wells will be orthodox in location, and their take points and completed intervals will comply with the setback requirements under statewide Rules. Applicant will seek approval of overlapping units, consisting of the Grumpy Cat 15-22 Fed Com 211H (API 30-025-45730) in the W/2 W/2 of Sections 15 and 22, and the Grumpy Cat 15-22 Fed Com 212H (API 30-025-45731) in the E/2 W/2 of Sections 15 and 22, and Applicant will apply for administrative approval of the non-standard spacing (NSP) unit; 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 25 miles East of Loving, New Mexico.