

**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 interval of the Bone Spring formation, designated as an oil pool, from the base of the Bone Spring Limestone at 8,217’ to the base of the Bone Spring formation at 11,520’, as calibrated to the log from the Poker Lake Unit #196 Well, underlying a standard 240-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 10 and the W/2 SW/4 of Section 3, all in Township 26 South, Range 31 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 **Thoroughbred 10-3 Fed Com 121H Well**, the **Thoroughbred 10-3 Fed Com 521H Well**, the **Thoroughbred 10-3 Fed Com 522H Well** and the **Thoroughbred 10-3 Fed Com 523H Well**, as the initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Devon proposes the **Thoroughbred 10-3 Fed Com 121H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3.

4. Devon proposes the **Thoroughbred 10-3 Fed Com 521H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3.

5. Devon proposes the **Thoroughbred 10-3 Fed Com 522H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3.

6. Devon proposes the **Thoroughbred 10-3 Fed Com 523H Well**, an oil well, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3.

7. The **Thoroughbred 10-3 Fed Com 121H Well**, the **Thoroughbred 10-3 Fed Com 521H Well**, the **Thoroughbred 10-3 Fed Com 522H Well** and the **Thoroughbred 10-3 Fed Com 523H Well** are orthodox in their locations, and their take points and completed intervals comply with setback requirements under statewide rules.

8. 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.

9. 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.

10. 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 May 2, 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 interval of the Bone Spring formation, designated as an oil pool, from the base of the Bone Spring Limestone at 8,217' to the base of the Bone Spring formation at 11,520', as calibrated to the log from the Poker Lake Unit #196 Well, underlying a standard 240-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 10 and the W/2 SW/4 of Section 3, all in Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico;

B. Approving the **Thoroughbred 10-3 Fed Com 121H Well**, the **Thoroughbred 10-3 Fed Com 521H Well**, the **Thoroughbred 10-3 Fed Com 522H Well** and the **Thoroughbred 10-3 Fed Com 523H 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 for 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

/s/ Darin C. Savage
Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

**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 interval of the Bone Spring formation, designated as an oil pool, from the base of the Bone Spring Limestone at 8,217' to the base of the Bone Spring formation at 11,520', as calibrated to the log from the Poker Lake Unit #196 Well, underlying a standard 240-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 10 and the W/2 SW/4 of Section 3, all in Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Thoroughbred 10-3 Fed Com 121H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3; the **Thoroughbred 10-3 Fed Com 521H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3; the **Thoroughbred 10-3 Fed Com 522H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3; and the **Thoroughbred 10-3 Fed Com 523H Well**, an oil well, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 10 to a bottom hole location in NW/4 SW/4 (Unit L) of Section 3. The proposed wells will be orthodox in their locations, and their take points and completed intervals will comply with the setback requirements under the statewide Rules. 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 20.5 miles southeast of Malaga, New Mexico.