

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P.  
FOR APPROVAL OF AN OVERLAPPING  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY 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 (1) approving a standard 400-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation underlying the S2S2 of Section 9, the S2S2 of Section 10, and the S2SW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (b) pooling the uncommitted owners in the proposed spacing unit. 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 pool all uncommitted mineral interests from the top of the Bone Spring formation to the correlative stratigraphic equivalent of 8218 feet measured depth as shown in the dual laterolog of the Yates State 2 (API # 30-015-32801).
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Bent Tree 9-11 State Com 224H**, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the SW4SW4 (Unit M) of Section 9 and a last take point in SE4SW4 (Unit N) of Section 11.

4. This proposed spacing unit will overlap an 800-acre spacing unit comprised of the S2 of Section 9, S2 of Section 10, and the SW/4 of Section 11 that Devon has proposed for the Bent Tree 9-11 State 337H and 338H wells to be drilled in a deeper interval of the Bone Spring formation.

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. Approval of the overlapping spacing unit and the pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 2, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Approving the initial well 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 well;
- 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 well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By:   
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Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

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

CASE \_\_\_\_\_: **Application of Devon Energy Production Company, L.P. for Approval of an Overlapping Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling 400-acre, more or less, spacing unit in an interval of the Bone Spring formation underlying the S2S2 of Section 9, the S2S2 of Section 10, and the S2SW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Application seeks to pool from the top of the Bone Spring formation to the correlative stratigraphic equivalent of 8218 feet measured depth as shown in the dual laterolog of the Yates State 2 (API # 30-015-32801). Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Bent Tree 9-11 State Com 224H**, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the SW4SW4 (Unit M) of Section 9 and a last take point in SE4SW4 (Unit N) of Section 11. This proposed spacing unit will overlap an 800-acre spacing unit comprised of the S2 of Section 9, S2 of Section 10, and the SW/4 of Section 11 that Devon has proposed for the Bent Tree 9-11 State 337H and 338H wells to be drilled in a deeper interval of the Bone Spring formation. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 5 miles northeast of Carlsbad, New Mexico.