

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR COMPULSORY POOLING AND
APPROVAL OF OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Devon Energy Production Company LP, (OGRID No. 6137) (“Applicant” or “Devon”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 319.64-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 W/2 of Section 11 and the E/2 W/2 equivalent of irregular Section 2, Township 23 South, Range 31 East, Eddy County, New Mexico (“Unit”). In support of its application, Devon states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Belloq 11-2 Fed State Com 122H, Belloq 11-2 Fed State Com 123H, and Belloq 11-2 Fed State Com 534H** wells (“Wells”), which will be drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 11 to bottom hole locations in Lot 3 (NE/4 NW/4 equivalent) of Section 2.
3. Applicant is applying administratively for approval of non-standard well locations.
4. The Unit will partially overlap with the spacing units for the following wells, which produce from the Livingston Ridge; Bone Spring Pool (Code 39350):
 - a. Belloq 2 State #005H (API No. 30-015-42896), which is located in the W/2 E/2 of irregular Section 2, Township 23 South, Range 31 East;

- b. Belloq 2 State #006H (API No. 30-015-42897), which is located in the W/2 E/2 of irregular Section 2, Township 23 South, Range 31 East; and
- c. Belloq 11 Federal #222H (API No. 30-015-45275), which is located in the W/2 E/2 of Section 11, Township 23 South, Range 31 East.

5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the 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% penalty 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,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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