

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. JAN 07 2019 PM02:24
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 20262

APPLICATION

Devon Energy Production Company, L.P. (“Devon”), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in Bone Spring formation (Sand Dunes; Bone Spring South Pool (53805)) underlying a 320-acre standard horizontal well spacing unit comprised of the E/2 W/2 of Sections 15 and 22, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, Devon states:

1. Devon (OGRID No. 6137) is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Devon seeks to dedicate the above-referenced horizontal well spacing unit to the proposed **Grumpy Cat 15-22 Federal Com 212H Well** to be drilled at a sufficient depth to test the Bone Spring formation from surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 22. The completed interval for this well will comply with the standard setback requirements for oil wells.
3. Devon has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.
4. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 7, 2019, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying the proposed horizontal well spacing unit;
- B. Designating Devon as the operator of the horizontal well spacing unit and the wells to be drilled thereon;
- E. Authorizing Devon to recover its costs of drilling, equipping and completing the well;
- F. 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
- G. Imposing a 200% penalty for the risk assumed by Devon in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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

CASE _____:

Application of Devon Energy Production Company, L.P. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation (Sand Dunes; Bone Spring, South Pool (53805)) underlying a 320-acre standard horizontal well spacing unit comprised of the E/2 W/2 of Sections 15 and 22, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal well spacing unit to the proposed **Grumpy Cat 15-22 Federal Com 212H Well** to be drilled from surface location in the NW/4 NW/4 (Unit D) of Section 15 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 22. The completed interval for this well will comply with the standard setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 32 miles East/Southeast of Carlsbad, NM.