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July 29, 2003

**RECEIVED**

JUL 29 2003

Oil Conservation Division

**Hand Delivered**

Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 13132*

Dear Florene:

Enclosed are an original and one copy of an application for compulsory pooling, together with a proposed advertisement, filed on behalf of Devon Energy Production Company, L.P. Please set this matter for the August 21, 2003 Examiner hearing. Thank you.

The proposed advertisement is also on the enclosed disk.

Very truly yours,

  
James Bruce

Attorney for Devon Energy Production Company, L.P.

PARTIES BEING POOLED

AYCO Energy, L.L.C.  
Suite D-3  
5524 Bee Cave Road  
Austin, Texas 76746

Bright Hawk/Burkard Venture  
P.O. Box 79790  
Houston, Texas 77279-9790

Exxon Mobil Corporation  
P.O. Box 4697  
Houston, Texas 77210-4697

Attention: Paul Keffer

Magnum Hunter Production, Inc.  
Suite 200  
3500 William D. Tate Avenue  
Grapevine, Texas 76501-8734

Wainoco Oil & Gas Co.  
Suite 600  
10000 Memorial Drive  
Houston, Texas 77024-3341

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Oil Conservation Division

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

Case No. 13132

APPLICATION

Devon Energy Production Company, L.P. applies for an order pooling all mineral interests in the Morrow formation underlying Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , and SE $\frac{1}{4}$  (the E $\frac{1}{2}$  equivalent) of Section 6, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in the E $\frac{1}{2}$  of Section 6, and has the right to drill a well thereon.

2. Applicant proposes to drill the Joell Well No. 2, at an orthodox gas well location 1330 feet from the north and east lines of Section 6, to a depth sufficient to test the entire Morrow formation (approximately 12,000 feet subsurface), and seeks to dedicate the E $\frac{1}{2}$  of Section 6 to the well to form a standard 319.49 acre gas spacing and proration unit as to the Morrow formation (East Carlsbad-Morrow Gas Pool).

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$  of Section 6 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order


pooling all mineral interest owners in the E½ of Section 6, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 6, as set forth above, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the E½ of Section 6 in the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof and production therefrom among the well's working interest owners;
- D. Approving actual operating charges and supervision costs, together with a provision adjusting the rates as provided in the COPAS accounting procedure; and
- E. Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Devon Energy Production  
Company, L.P.