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April 10, 2006

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

Dear Florene:

Enclosed for filing, on behalf of Devon Energy Production Company, L.P., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. Please set this matter for the May 11, 2006 Examiner hearing. Thank you.

A pre-hearing statement is also enclosed.

Very truly yours,

  
James Bruce

Attorney for Devon Energy Production Company, L.P.

*Case 13701*

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PARTIES BEING POOLED

The Brown Partnership  
c/o Susan B. Gettman  
6503 Torrey Pines Cove  
Austin, Texas 78746

Executors of the Estate of Nancy Lewis Brown  
c/o Susan B. Gettman  
6503 Torrey Pines Cove  
Austin, Texas 78746

Trustees of the Clifton & Nancy Brown Trust  
c/o Susan B. Gettman  
6503 Torrey Pines Cove  
Austin, Texas 78746

Clifton O. Brown IV  
Apt. 2513  
1531 South State Highway 121  
Lewisville, Texas 75067

Nicholas Brown  
307 Bridlegate Drive  
McKinney, Texas 75069

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

2006 APR 10 PM 2 55  
APPLICATION OF DEVON ENERGY  
PRODUCTION COMPANY, L.P. FOR  
COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.

Case No. 13701

APPLICATION

Devon Energy Production Company, L.P. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N $\frac{1}{2}$  of Section 23, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the N $\frac{1}{2}$  of Section 23, and has the right to drill a well thereon.
2. Applicant proposes to drill its Dunaway 23 Well No. 1, at an orthodox gas well location in the NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 23, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
  - (a) the NE $\frac{1}{4}$  to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
  - (b) the N $\frac{1}{2}$  to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, Undesignated South Carlsbad-Morrow Gas Pool, and Undesignated Otis-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the N $\frac{1}{2}$  of Section 23 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 N½ of Section 23, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the N½ of Section 23 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 N½ of Section 23, from the surface to the base of 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 among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge 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,



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James Bruce  
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Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Devon Energy Production  
Company, L.P.

PROPOSED ADVERTISEMENT

Case No. 13701 : **Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 22 South, Range 27 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, Undesignated South Carlsbad-Morrow Gas Pool, and Undesignated Otis-Morrow Gas Pool ; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Dunaway 23 Well No. 1, to be drilled at an orthodox gas well location in the NW/4NE/4 of Section 23. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2-1/2 miles north-northeast of Otis, New Mexico.

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