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December 23, 2008

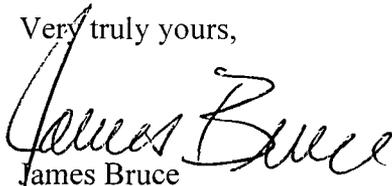
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14268*

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. The advertisement has also been e-mailed to the Division. Please set this matter for the January 22, 2009 Examiner hearing. Thank you.

Very truly yours,

  
James Bruce

Attorney for Devon Energy Production Company, L.P.

*DB 12/28/09*

PERSONS BEING POOLED

Badger Energy, Inc.  
3325 N. Enterprise Dr.  
Hobbs, NM 88240

Amity Oil Company, Inc.  
c/o Pulliam & Cable, P. C.  
Suite 1000  
6116 N. Central Expressway  
Dallas, TX 75206

Anadarko Petroleum Corporation  
1201 Lake Robbins Drive  
The Woodlands, TX 77380

Dorchester Master Limited Partnership  
3838 Oak Lawn Avenue  
Dallas, TX 75219

Pioneer Natural Resources USA  
Suite 100  
303 W. Wall Street  
Midland, TX 79701

Brad D. Bassore  
P.O. Box 4028  
Albuquerque, NM 87101

Amax Oil & Gas, Inc.  
P.O. Box 42806  
Houston, TX 77042

Don McClung  
Cimarex Energy Co.  
Suite 600  
600 N Marienfeld Street  
Midland, TX 79701

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14268

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 E $\frac{1}{2}$  of Section 15, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$  of Section 15, and has the right to drill a well thereon.

2. Applicant proposes to drill its Acme "15" Fed. Com. Well No. 1 (API No. 30-015-36748), at an orthodox location in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 15, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

(a) The NW $\frac{1}{4}$ SE $\frac{1}{4}$  to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool;

(b) The SE $\frac{1}{4}$  to form a standard 160 acre oil or gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool; and

(c) The E½ 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 West Lusk-Morrow Gas Pool.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 15 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 15, pursuant to NMSA 1978 §70-2-17.

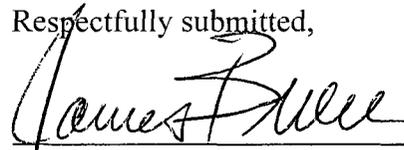
5. The pooling of all mineral interests underlying the E½ of Section 15, including a cost allocation formula as to a completion in the Strawn formation, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

- A. Pooling all mineral interests in the E½ of Section 15, 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,

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

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

Attorney for Devon Energy Production  
Company, L.P.

## PROPOSED ADVERTISEMENT

Case No. 14268 : **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 15, Township 19 South, Range 31 East, NMPM, and in the following manner: The E/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 West Lusk-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool; and the NW/4SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Acme "15" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4SE/4 of Section 15. 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 12 miles southeast of Loco Hills, New Mexico.