

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY,  
L.P., FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**APPLICATION**

Devon Energy Production Company, L.P. (“Devon”), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) establishing a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying said unit.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Devon proposes and dedicates to the HSU the **Bora Bora 13-24 Fed Com 623H Well**, the **Bora Bora 13-24 Fed Com 624H Well**, the **Bora Bora 13-24 Fed Com 625H Well**, the **Bora Bora 13-24 Fed Com 713H Well**, and the **Bora Bora 13-24 Fed Com 714H Well**, as initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.

3. Devon proposes the **Bora Bora 13-24 Fed Com 623H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 12-23S-31E to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24.

4. Devon proposes the **Bora Bora 13-24 Fed Com 624H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12-23S-31E to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24. The **Bora Bora 13-24 Fed Com 624H Well** is the proximity well, positioned so the unit can include proximity tracts located within 330 feet of the well's completed interval, thereby incorporating the E/2 E/2 of Sections 13 and 24, in order to establish the larger unit covering the E/2 of said Sections.

5. Devon proposes the **Bora Bora 13-24 Fed Com 625H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12-23S-31E to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24.

6. Devon proposes the **Bora Bora 13-24 Fed Com 713H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 12-23S-31E to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24.

7. Devon proposes the **Bora Bora 13-24 Fed Com 714H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12-23S-31E to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24.

8. All the wells proposed herein, except for the **623H Well**, are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules. The **Bora Bora 13-24 Fed Com 623H Well** is unorthodox in its location, encroaching toward the west boundary, and Devon will apply administratively with the OCD for approval of the non-standard location (NSL).

9. Devon's good faith review of records did not reveal any overlapping units.

10. Devon has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

11. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

12. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Devon requests that all uncommitted interests in this HSU be pooled and that Devon be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on March 2, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU.

C. Approving the **Bora Bora 13-24 Fed Com 623H Well**, the **Bora Bora 13-24 Fed Com 624H Well**, the **Bora Bora 13-24 Fed Com 625H Well**, the **Bora Bora 13-24 Fed Com 713H Well**, and the **Bora Bora 13-24 Fed Com 714H Well** as the wells for the HSU.

D. Designating Devon as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Devon in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Devon Energy Company, L.P.**

*Application of Devon Energy Production Company, L.P., for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the E/2 of Sections 13 and 24, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying the unit. The proposed wells to be dedicated to the horizontal spacing unit are the **Bora Bora 13-24 Fed Com 623H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 12-23S-31E to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24; **Bora Bora 13-24 Fed Com 624H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12-23S-31E to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24; the **Bora Bora 13-24 Fed Com 625H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12-23S-31E to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24; the **Bora Bora 13-24 Fed Com 713H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 12-23S-31E to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24; and the **Bora Bora 13-24 Fed Com 714H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 12-23S-31E to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24. The **Bora Bora 13-24 Fed Com 624H Well** is the proximity well, and proximity tracts will be utilized. All the proposed wells, except for the **623H Well**, will be orthodox, and their take points and completed intervals will comply with the setback requirements under statewide Rules. The **Bora Bora 13-24 Fed Com 623H Well** will be unorthodox in its location, and the Applicant will apply for administrative approval of the non-standard location; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 33 miles northwest of Jal, New Mexico, and approximate 19 miles north of the state line.