

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P., FOR 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, seeking an order pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying a standard 960-acre, more or less, spacing and proration unit comprised of the S/2 of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Sections 1, 2, and 3 are irregular sections containing correction lots.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing unit (“HSU”) and has a right to drill a well thereon.
2. Devon proposes and dedicates to the HSU the **Burton Flat 3-1 Fed State Com 624H Well**, the **Burton Flat 3-1 Fed State Com 626H Well**, and the **Burton Flat 3-1 Fed State Com 826H Well**, as the initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.
3. Devon proposes the **Burton Flat 3-1 Fed State Com 624H Well**, an oil well, to be horizontally drilled from a surface location in NW/4 SW/4 (Unit L) of Section 3, Township 21

South, Range 27 East to a bottom hole location in NE/4 SE/4 (Unit I) of Section 1, Township 21 South, Range 27 East.

4. Devon proposes the **Burton Flat 3-1 Fed State Com 626H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 3, Township 21 South, Range 27 East to a bottom hole location in SE/4 SE/4 (Unit P) of Section 1, Township 21 South, Range 27 East. The **Burton Flat 3-1 Fed State Com 626H Well** is the proximity well that is positioned in the unit to allow for the use of proximity tracts in the N/2 S/2 of Sections 1, 2, and 3.

5. Devon proposes the **Burton Flat 3-1 Fed State Com 826H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 3, Township 21 South, Range 27 East to a bottom hole location in SE/4 SE/4 (Unit P) of Section 1, Township 21 South, Range 27 East.

6. The **Burton Flat 3-1 Fed State Com 626H Well** and **Burton Flat 3-1 Fed State Com 826H Well** are orthodox in their locations, and their take points and completed intervals comply with setback requirements under statewide rules; however, the **Burton Flat 3-1 Fed State Com 624H Well** is unorthodox in its location, and its take point and completed interval does not comply with setback requirements under statewide rules.

7. Devon will seek administrative approval for the non-standard location (“NSL”) of the **Burton Flat 3-1 Fed State Com 624H Well**.

8. 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.

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

10. 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 November 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. Pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying a standard 960-acre, more or less, spacing and proration unit comprised of the S/2 of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico;

B. Approving the **Burton Flat 3-1 Fed State Com 624H Well**, the **Burton Flat 3-1 Fed State Com 626H Well**, and the **Burton Flat 3-1 Fed State Com 826H Well** as the wells for the HSU.

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

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

E. 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

F. 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

Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

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

Application of Devon Energy Production Company, L.P., for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying a standard 960-acre, more or less, spacing and proration unit comprised of the S/2 of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Sections 1, 2, and 3 are irregular sections containing correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the **Burton Flat 3-1 Fed State Com 624H Well** an oil well, to be horizontally drilled from a surface location in NW/4 SW/4 (Unit L) of Section 3, Township 21 South, Range 27 East to a bottom hole location in NE/4 SE/4 (Unit I) of Section 1, Township 21 South, Range 27 East; the **Burton Flat 3-1 Fed State Com 626H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 3, Township 21 South, Range 27 East to a bottom hole location in SE/4 SE/4 (Unit P) of Section 1, Township 21 South, Range 27 East; and the **Burton Flat 3-1 Fed State Com 826H Well**, an oil well, to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 3, Township 21 South, Range 27 East to a bottom hole location in SE/4 SE/4 (Unit P) of Section 1, Township 21 South, Range 27 East. The **626H Well** is the proximity well, and proximity tracts will be utilized for the unit. The **626H Well** and **826H Well** will be orthodox in their locations, and their take points and completed intervals will comply with the setback requirements under the statewide Rules; however, the **624H Well** will be unorthodox in location, as its take points and completed intervals do not comply with the setback requirements under the statewide rules. Applicant will seek administrative approval of the unorthodox location. Also to be considered will be approval for 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 7 miles northeast of Carlsbad, New Mexico.