

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

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

CASE NO. 16347

APPLICATION

Devon Energy Production Company, L.P. ("Devon"), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. §70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation underlying E/2W/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico. In support of its application, Devon states:

1. Devon (OGRID 6137) is a working interest owner in the subject acreage and has the right to drill thereon.
2. Devon proposes to dedicate the above-referenced 320.00 acre spacing and proration unit as the standard horizontal spacing and proration unit for the **Spud Muffin 31-30 332H well** to be horizontally drilled in the **Cedar Canyon; Bone Spring (Pool Code 11520)** from a surface location 625' FSL and 2405' FWL of Section 31 to a bottom hole location of 230' FNL and 2310' FWL of Section 30.
3. This well will be pad-drilled sequentially and batch completed with other wells to be drilled within Sections 30 and 31 in the Bone Spring and Wolfcamp formations which are the subject of separate applications filed by Devon and currently pending before the Division.

4. The completed interval for this well will be orthodox.
5. Devon has sought and has been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.
6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
7. As the proposed well will be simultaneously drilled and batch completed with other wells Devon has proposed to be drilled within Sections 30 and 31, Devon requests an extension of the 120-day time period to drill and complete the well provided by the standard pooling order.
8. In order to permit Devon to obtain it's just and fair share of the oil and gas underlying the subject lands, all mineral interests in this standard horizontal spacing and proration unit should be pooled and Devon Energy Production Company, L.P. should be designated the operator of this proposed horizontal well and spacing unit.
9. Notice of this application is being given in accordance with Division rules.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 9, 2018, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the standard horizontal spacing and proration unit comprised of the E/2W/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico;
- B. Dedicating the **Spud Muffin 31-30 332H well** to the standard horizontal spacing and proration unit for the Bone Spring formation comprised of the E/2W/2 of Sections 30 and 31, Township 23 South, Range 29 East, Eddy County, New Mexico;

- C. Providing an extension of the 120-day requirement to drill and complete the well;
- D. Designating Devon Energy Production Company, L.P. operator of this standard horizontal spacing and proration unit and the horizontal well to be drilled thereon;
- E. Authorizing Devon to recover its costs of drilling, equipping and completing the well;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% penalty for the risk assumed by Devon in drilling and completing the initial well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

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