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March 6, 2009

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Case 14305

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 April 16, 2009 Examiner hearing. Thank you.

Very truly yours,

variies Brace

attorney for Devon Energy Production Company, L.P.

PERSONS BEING POOLED

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED

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

Case No. 14305

APPLICATION

Devon Energy Production Company, L.P. applies for an order pooling all mineral interests from the surface to the base of the Upper Pennsylvanian formation underlying the W½ of Section 13, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

- 1. Applicant is an interest owner in the W½ of Section 13, and has the right to drill or re-enter a well thereon.
- 2. Applicant has re-entered its Craft Well No. 1, located 1980 feet from the north line and 660 feet from the west line of Section 13, and completed it in the Upper Pennsylvanian formation. It seeks to dedicate the following acreage to the well:
 - (a) the NW¼ 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 W½ 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 Northwest Pierce Crossing-Wolfcamp Gas Pool.
- 3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the $W^{1/2}$ of Section 13 for the purposes set forth herein.
- 4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in re-entering 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 W½ of Section 13, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the $W\frac{1}{2}$ of Section 13 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 W½ of Section 13, from the surface to the base of the Upper Pennsylvanian formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-entering 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 re-entering and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

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. 14305 : 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 Upper Pennsylvanian formation underlying the following described acreage in Section 13, Township 24 South, Range 28 East, NMPM, and in the following manner: The W/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 Northwest Pierce Crossing-Wolfcamp Gas Pool; and the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160acre spacing within that vertical extent. The units are to be dedicated to the Craft Well No. 1, reentered at a location 1980 feet from the north line and 660 feet from the west line of Section 13. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The units are located approximately 2 miles east-southeast of Malaga, New Mexico.