

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY,  
L.P. FOR APPROVAL OF AN OVERLAPPING NON-STANDARD  
SPACING UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 25481**

**DEVON'S PRE-HEARING STATEMENT**

Devon Energy Production Company, L.P. ("Devon" or "Applicant"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Devon Energy Production Company, L.P.

**ATTORNEY**

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**APPLICANT'S STATEMENT OF THE CASE**

In **Case No. 25481**, Devon seeks an order (a) approving a 1,920-acre, more or less, overlapping non-standard horizontal spacing unit in the Bone Spring formation (Salt Lake; Bone Spring [53560]) comprised of All of Sections 17, 20, and 29, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted interests underlying the spacing unit. This spacing unit will be initially dedicated to the following proposed wells:

- **Sherman 29-17 Fed Com 111H, Sherman 29-17 Fed Com 112H, Sherman 29-17 Fed Com 231H, Sherman 29-17 Fed Com 301H, and Sherman 29-17 Fed Com 511H**, all to be horizontally drilled from surface hole locations in the SW/4

SW/4 (Unit M) of Section 29 and to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 17;

- **Sherman 29-17 Fed Com 113H, Sherman 29-17 Fed Com 232H, Sherman 29-17 Fed Com 302H, and Sherman 29-17 Fed Com 512H**, all to be horizontally drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 29 and to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 17;
- **Sherman 29-17 Fed Com 114H, Sherman 29-17 Fed Com 233H, and Sherman 29-17 Fed Com 513H**, all to be horizontally drilled from surface hole locations in the SW/4 SE/4 (Unit O) of Section 29 and to bottom hole locations in the NW/4 NE/4 (Unit B) of Section 17; and
- **Sherman 29-17 Fed Com 234H and Sherman 29-17 Fed Com 514H**, both to be horizontally drilled from surface hole locations in the SE/4 SE/4 (Unit P) of Section 29 and to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 17.

This proposed horizontal spacing unit will overlap a 160-acre spacing unit in the Bone Spring Formation comprised of the N/2 NW/4 of Section 17 and the N/2 NE/4 of Section 18 dedicated to the Green Frog Café Federal 1H (30-025-40828) currently operated by Marathon Oil Permian LLC.

Approval of this overlapping non-standard spacing unit and the pooling of interests therein will allow Devon to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands, reduce surface disturbance, lower operating costs, avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

The completed interval for the wells will comply with statewide setbacks for oil wells. Devon has sought but been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing units. The pooling of uncommitted interest owners in the proposed spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

**APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Aaron Young, Landman	Self-Affirmed Statement	Approx. 6
Joshua O'Brien, Geologist	Self-Affirmed Statement	Approx. 3

**PROCEDURAL MATTERS**

Devon intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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State of New Mexico  
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Oil Conservation Division  
1220 S. St Francis Dr.  
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QUESTIONS

Action 491052

QUESTIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 491052
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.