

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

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

Case No. 21119

APPLICATION

Devon Energy Production Company, L.P., (“Devon”), OGRID No. 6137, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

Devon Energy Production Company, L.P.

ATTORNEY

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APPLICANT’S STATEMENT OF CASES

In Case No. 21119, Devon seeks an Order for (1) establishing a standard 640-acre, more or less, spacing and proration unit comprised of the E/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted

mineral interests in the Bone Spring formation (LAGUNA SALADO; BONE SPRING [Pool Code 96721]), underlying said unit.

Devon proposes to dedicate the unit to its **Hot Potato 26-23 Fed 333H Well**, an oil well, proposed to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 26, approximately 325' FSL and 1499' FEL, more or less, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, approximately 20' FNL and 1254' FEL, more or less. The **Hot Potato 26-23 Fed 333H Well** is the Defining Well for the unit.

The completed intervals and first and last take points for the well proposed in the unit meet the setback requirements set forth in the Division's statewide rules and regulations for horizontal oil wells. Pursuant to 19.15.16.15(B)(1)(b) NMAC, Devon will incorporate proximity tracts into its unit, to the extent necessary, such that the completed interval for the well will remain within the offset requirements of the Division's statewide rules. Also to be considered will be the costs of drilling and completing said well; the allocation of these costs and the actual operating costs and charges for supervision; designating Devon as operator of the well and unit; downhole comingling; allowing an extension of the normal period to drill and complete the well; and a 200% charge for risk involved in drilling the wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Verl Brown - Landman	Approx. 15	Approx. 6
Miranda Childress – Geologist	Approx. 15	Approx. 4

PROCEDURAL MATTERS

Devon requests that the matters of Cases 21119, 21120, and 21121, dealing with the Bone Spring formation, and Cases 21122 and 21123, dealing with the Wolfcamp formation, be consolidated for purposes of the March 5, 2020 hearing, as they concern the same land sections and interests, the difference being the target formations. At this point, Devon does not anticipate a protest, and under such circumstances, it plans to present the cases by affidavits.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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