

**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. 21122

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

Darin C. Savage
Abadie & Schill, PC
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com

APPLICANT’S STATEMENT OF CASES

In Case No. 21122, Devon seeks an Order for (1) establishing a 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 Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), designated by the Division as a gas field, underlying said unit.

Devon proposes to dedicate the unit to two initial wells: (1) Devon proposes the **Hot Potato 26-23 Fed Com 622H Well**, to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 26, approximately 325' FSL and 1559' FEL, more or less, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 23, approximately 20' FNL and 2178' FEL, more or less. (2) Devon proposes the **Hot Potato 26-23 Fed Com 712H Well**, to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 26, approximately 325' FSL and 1529' FEL, more or less, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 23, approximately 20' FNL and 1716' FEL, more or less. The proposed wells are located in the Purple Sage; Wolfcamp (Gas) Pool, Code No. 98220, a gas field subject to Special Rules set forth in Division Order No. R-14262.

The FTPs and LTPs of the **Hot Potato 26-23 Fed Com 622H and 712H Wells**, will be located at nonstandard locations, with the FTPs approximately 100' FSL and the LTPs approximately 100' FNL. Devon has applied administratively for approval of an unorthodox location for the two wells. Also to be considered will be the costs of drilling and completing said wells; the allocation of these costs and the actual operating costs and charges for supervision; designating Devon as operator of the wells and unit; downhole comingling; allowing an extension of the normal period to drill and complete the wells; 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. Devon has applied administratively for the nonstandard locations and has provided notice letters to the adjoining owners, pursuant to 19.15.16.15C(5) NMAC. 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

Darin C. Savage
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com

Attorneys for Applicant