

**STATE OF NEW MEXICO**  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**  
**OIL CONSERVATION DIVISION** 2004 NOV 24 PM 4 49

**IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR THE  
PURPOSE OF CONSIDERING:**

**CASE NO. 13372**

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR  
APPROVAL OF AN UNORTHODOX WELL LOCATION AND AUTHORIZATION TO  
DRILL A WELL IN THE POTASH AREA, EDDY COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Devon Energy Production Company, L.P.  
Attn: Ken Gray  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102-8260  
(405) 552-4633

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988.4421

**OPPOSITION**

Mosiac Potash  
Attn: Dan Morehouse  
Mosiac Potash  
Post Office Box 71  
Carlsbad, New Mexico 88221-0071

**ATTORNEY**

Charles C. High, Jr., Esq.  
Kemp, Smith, Duncan & Hammond, P.C.  
200 State National Plaza  
El Paso, Texas 79901-1441

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks an order approving the drilling of its proposed Apache 24 Fee Well No. 7A within the Potash Area at an unorthodox well location 1460 feet from the North line and 1150 feet from the West line (Unit E) of Section 24, Township 22 South, Range 30 East, NMPM, Eddy County, New Mexico. This well will be drilled to an approximate depth of 15,500 to as a wildcat well to test the Devonian formation.

**PROPOSED EVIDENCE**

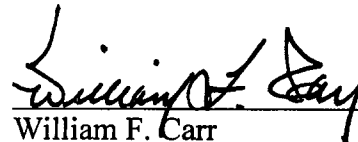
**APPLICANT**

<b>WITNESSES</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Ken Gray (Landman)	Approx. 20 Minutes	Approx. 8
Jim Blount (Operations Engineer)	Approx. 15 Minutes	Approx 6
Mineral Owner	Approx. 10 Minutes	Approx. 2

**PROCEDURAL MATTERS**

Devon has filed a motion for an order re-instating /granting applications for permits to drill and dismissing the objection of IMC Minerals/Mosaic Potash to the Apache Fee Wells No. 6, 7 and 7A.

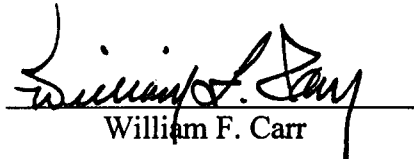
Devon Energy Production Company, L.P., will request that Case Nos. 13368, 13369 and 13372 be consolidated for purposes of hearing.



William F. Carr  
Attorney for Devon Energy Production  
Company, L.P.

**CERTIFICATE OF SERVICE**

I certify that I have caused a copy of the foregoing pleading to be delivered to Gail McQuesten, Esq. Attorney for the Oil Conservation Division by Hand Delivery, Dan Morehouse, Mosaic Potash by facsimile [Fax No. (505) 887-0589] and to Charles C. High Jr., Esq., Kemp, Smith, Duncan & Hammond, P.C., attorney for Mosaic Potash, by facsimile [Fax No. (915) 546-5360] on this 24th day of November 2004.

  
William F. Carr

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**CASE NOS. 13367, 13368, 13369, and 13372**

**APPLICATIONS OF BASS ENTERPRISES PRODUCTION  
CO. and DEVON ENERGY PRODUCTION COMPANY, L.P.  
FOR ORDERS AUTHORIZING THE DRILLING OF SPECIFIC  
WELLS IN THE POTASH AREA, EDDY COUNTY, NEW MEXICO.**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Mosaic Potash Carlsbad Inc. as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANTS**

**Bass Enterprises Production Co.**

**Attn: J. Wayne Bailey  
201 Main Street, Suite 2900  
Ft. Worth, TX 76102  
(817) 390-8671**

**Devon Energy Production Company, L.P.**

**Attn: Ken Gray  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102-8260  
(405) 552-4633**

**ATTORNEY**

**William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, NM 87504  
(505) 988-4421**

**OPPOSITION**

**Mosaic Potash Carlsbad Inc.**

**Attn: Dan Morchouse  
Post Office Box 71  
Carlsbad, NM 88220  
(505) 887-2871**

**ATTORNEY**

**Charles C. High, Jr., Esq.  
& Walker Crowson  
Kemp Smith LLP  
220 N. Kansas, Suite 1900  
El Paso, TX 79901  
(915) 533-4424**

Pre-Hearing Statement

NMOCD Case Nos. 13367, 13368, 13369, and 13372

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### STATEMENT OF CASE

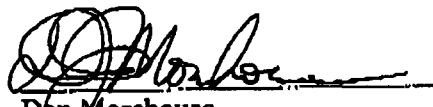
#### OPPOSITION POSITION

Drilling wells at the proposed locations will result in an undue waste of potash.  
Each location can be developed from alternate locations.

### PROPOSED EVIDENCE

#### OPPOSITION

WITNESSES	ESTIMATED TIME	EXHIBITS
Dan Morehouse, Mine Engineering Superintendent	Approx. 20 Minutes	Approx. 8

  
Dan Morehouse  
Mine Engineering Superintendent

Pre-Hearing Statement

NMOCD Case Nos. 13367, 13368, 13369, and 13372

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**CERTIFICATE OF SERVICE**

I certify that I have sent a copy of the foregoing pleading by facsimile to Gail McQuesten, Esq., Assistant General Counsel for the Oil Conservation Division [Fax. No. (505) 476-3462], William F. Carr, Holland & Hart, LLP, attorney for the Applicants [Fax. No. (505) 983-6043], and to Charles C. High, Jr., Esq., Kemp Smith, LLP, attorney for the Opposition [Fax. No. (915) 546-5360] on this 29<sup>th</sup> day of November 2004.



Dan Morehouse