

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

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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. FOR A NON-STANDARD OIL  
SPACING AND PRORATION UNIT AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,946

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Devon Energy Production Company, L.P. ("Devon") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Devon Energy Production Company, L.P.  
P.O. Box 108838  
Oklahoma City, Oklahoma 73101

Attention: Ken Gray  
(405) 552-4633

**APPLICANT'S ATTORNEY**

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Devon Energy Production Company, L.P. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2E/2 of Section 13, Township 21 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Delaware formation underlying the W/2E/2 of Section 13 to form a non-standard 160 acre oil spacing and proration unit (project area), and (ii) from the surface to the base of the Bone Spring formation underlying the NW/4NE/4 of Section 13, for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Lone Tree 13 State Com. Well No. 4, a horizontal well to be drilled at a surface location 150 feet from the north line and 2390 feet from

the east line, with a terminus in the SW/4SE/4, of Section 13. Applicant further requests unorthodox location approval of the above well in the Bone Spring formation. Also to be considered will be the cost of drilling 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 drilling and completing the well.

OPPONENT

**PROPOSED EVIDENCE**

APPLICANT

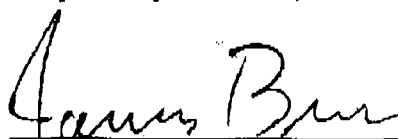
| <u>WITNESSES</u>                 | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|----------------------------------|------------------|-----------------|
| Ken Gray<br>(landman)            | 15 min.          | Approx. 8       |
| Raleigh Blumstein<br>(geologist) | 15 min.          | Approx. 4       |

OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
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**PROCEDURAL MATTERS**

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Devon Energy Production  
Company, L.P.