

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

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

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RECEIVED OGD
CASE NOS. 14968 & 14969

MOTION FOR CONTINUANCE

Khody Land & Minerals Company (“Khody”) moves the Division to continue the above reference cases, currently scheduled for hearing on March 21, 2013, to the April 4, 2013, Examiner docket. In support of this motion for a two-week continuance, Khody states:

1. Under Case Nos. 14968 & 14969, Devon Energy Production Company (“Devon”) seeks to create the following adjacent, stand-up, 240-acre non-standard oil spacing and proration units, and to pool the mineral interests underlying this acreage in the Delaware formation, in Township 23 North, Range 29 East:

- W/2 SW/4 of Section 30 and the W/2W/2 of Section 31;
- E/2 SW4 of Section 30 and the E/2 W/2 of Section 31.

2. Khody owns a working interest in the W/2 of Section 31, but does not have any interest in the SW/4 of Section 30, which Devon seeks to add to its proposed non-standard oil spacing and proration unit.

3. Devon’s proposed 240-acre non-standard spacing units are rather unusual in New Mexico and will be dedicated to proposed horizontal wells to be drilled in the Delaware formation for a section and a half, or roughly 3,300 feet.

4. Khody is concerned about the length of the proposed horizontal wells, the inclusion of

the acreage comprising the SW/4 of Section 30 in which it has no working interest, and the proposed Joint Operating Agreement that has been proposed by Devon. Khody is also concerned about being forced to make an election to participate in both of these expensive horizontal wells without having the benefit of observing the results of the initial horizontal well.

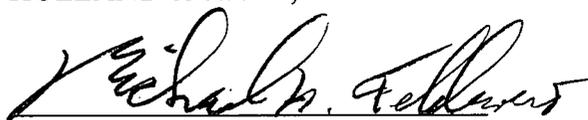
5. Khody has recently discussed these adjacent well proposals with Devon, and the parties are engaged in efforts to reach a compromise on the timing and scope of the development of the W/2 of Section 31 in which they have a joint working interest. At least two additional weeks are required to fully explore the development options for this acreage and to exhaust the parties' efforts to reach a voluntary agreement.

6. Devon has been contacted about a two-week continuance, but has not yet agreed to this motion.

WHEREFORE, Khody respectfully requests that the Division continue the hearing on Case Nos. 14968 and 14969 until the April 4, 2013, Examiner Docket.

Respectfully submitted,

HOLLAND & HART, LLP



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**ATTORNEYS FOR
KHODY LAND & MINERALS COMPANY**

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served upon the following counsel of record via electronic mail on the 19th day of March, 2013.

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