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

2013 SEP 12 P 2: 59

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY LP FOR DESIGNATION OF A NON-STANDARD SPACING UNIT, LEA COUNTY, NM

Case No. 15047

PRE-HEARING STATEMENT

Cimarex Energy Co. ("Cimarex") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

APPLICANT'S ATTORNEY

Devon Energy Production Company LP

OTHER PARTY

OTHER PARTY'S ATTORNEY

Cimarex Energy Co.

J. Scott Hall Montgomery & Andrews P.O. Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873

STATEMENT OF THE CASE

APPLICANT

Devon seeks approval of a 200-acre non-standard spacing and proration unit comprised of the SW/4 SW/4 of Section 13 and the W/2 W/2 of Section 24, Township 24 South, Range 32 East, NMPM, for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant proposes to dedicate the nonstandard unit and project area to the Bell Lake "24" Fed No. 1-H Well (API No. 30-025-41182) to be drilled horizontally from a surface location in the SW/4 SW/4 (M) of Section 13 to a standard bottom hole location in the SW/4 SW/4 of Section 24.

OTHER PARTY

Cimarex Energy Co. is the offsetting operator and interest owner in Section 13 and objects to the proposed configuration of the non-standard spacing unit and project area for Devon's well. Cimarex contends that the extension of the well into Section 13 disrupts the logical development pattern for the area, will impair correlative rights and may result in waste.

PROPOSED EVIDENCE

<u>APPLICANT</u>

| WITNESSES | EST. TIME | <u>EXHIBITS</u> |
|---|------------|-----------------|
| <u>OPPONENT</u> | | |
| WITNESSES | EST. TIME | EXHIBITS |
| Matthew Hood, Land man Geologist t/b/d Petroleum Engineer t/b/d | 20 minutes | 4 |

PROCEDURAL MATTERS

To date, no attorneys have entered their appearance on behalf of Devon.

Montgomery and Andrews, P. A.

| Ву | J. Scott Hall Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 982-3873 (505) 982-4289 fax shall@montand.com Attorneys for Cimarex Energy Co. |
|-----------------------------------|---|
| | Certificate of Service |
| I hereby certify that a true a | and correct copy of the foregoing was served to counse |
| of record by electronic mail this | day of, 2013. |
| N.A. | |
| | J. Scott Hall |
| 501196 | |