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

2016 JAN 14 P. 3:30

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,
LEA COUNTY, NEW MEXICO.

Case No. 15411

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.
333 West Sheridan
Oklahoma City, Oklahoma 73102

Attention: Zach Graham
(405) 552-3365

APPLICANT'S ATTORNEY

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

OPPONENT

XTO Energy Inc.

OPPONENT'S ATTORNEY

Michael Feldewert

STATEMENT OF THE CASE

APPLICANT

Devon seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 8, Township 23 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Stray Cat 8 Fed. Com. Well No. 1H, a horizontal well to be drilled at a surface location in the SW/4SW/4, with a terminus in the NW/4NW/4, of Section 8. 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

In Case No. 15434 XTO Energy Inc. ("XTO") seeks an order approving a 320-acre non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2W/2 of Section 8 and W/2W/2 of Section 17, Township 23 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit is to be dedicated to its proposed SDE 17 Fed. Well No. 1H.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Zach Graham (landman)	15 min.	Approx. 6
Ken Bridges (geologist)	15 min.	Approx. 4
J.D. Harkrider (drilling engineer)	15 Min.	Approx. 3

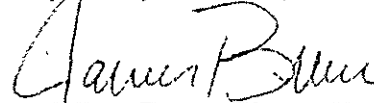
OPPONENT

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

1. Devon requests that Case No. 15411 be consolidated for hearing with XTO's application in Case No. 15434.
2. Devon and XTO are in discussions that should settle their dispute, and the parties expect to sign a letter agreement tomorrow. Therefore, Devon requests a continuance of both cases to the February 18th hearing.

Respectfully submitted,



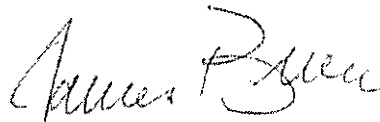
James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Devon Energy Production
Company, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following
counsel of record this 14th day of January, 2016 by e-mail:

Michael Feldewert
Holland & Hart LLP
P.O. Box 2208
Santa Fe, New Mexico 87504
mfeldewert@hollandhart.com



James Bruce