

**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:**

[Handwritten signature and date 1/12/06]

CASE NO. 13603

**AMENDED APPLICATION OF DEVON ENERGY
CORPORATION FOR COMPULSORY POOLING AND
WITHDRAWAL OF APPROVAL OF AN
APPLICATION FOR PERMIT TO DRILL, EDDY
COUNTY, NEW MEXICO.**

2006 JAN 12 PM 4 02

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 Corporation
Attn: Meg Muhlinghaus
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

LXC Energy, LLC.

ATTORNEY

J. Scott Hall
Post Office Box 1986
Santa Fe, NM 87504-1986
(505) 989-9614

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order from the Division (1) withdrawing its approval of an Application for Permit to Drill, and (2) pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East, NMPM: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (**API No. 30-015-34340**) currently being drilled from a surface location 660 feet from the North line and 760 feet from the west line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of Devon Energy Corporation as operator of the well and imposition of a 200% penalty on any working interest owner's share of the costs of drilling and completing the well incurred by Devon, if any, against any working interest owner who does not voluntarily participate in the well. Said area is located approximately 7 miles west of Artesia, New Mexico.


PROPOSED EVIDENCE

APPLICANT

WITNESSES	ESTIMATED TIME	EXHIBITS
Meg Muhlinghause (Land Advisor)	Approx. 20 Minutes	Approx. 8
Raye Miller (Practical Oilman)	Approx. 10 Minutes	Approx. 2

PROCEDURAL MATTERS

Devon Energy Corporation will request that this case be consolidated for purposes of hearing with Case No. 13628 (Application of LCX Energy LLC for Compulsory Pooling).


William F. Carr
Attorney for Devon Energy Corporation\

CERTIFICATE OF SERVICE

I certify that on January 12, 2006 I served a copy of the foregoing document to the following
by

- ☐ U.S. Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Fax
- ☐ Electronic Service by LexisNexis File & Serve

J. Scott Hall
Post Office Box 1986
Santa Fe, NM 87504-1986
(505) 989-9614
(505) 989-9857 (facsimile)


William F. Carr