

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

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

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

Case No. 13132

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by
the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production
Company, L.P.
Suite 1500
20 North Broadway
Oklahoma City, Oklahoma
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

Applicant seeks an order pooling all mineral interests in the Morrow formation underlying Lots 1, 2, S½NE¼, and SE¼ (the E¼ equivalent) of Section 6, Township 23 South, Range 27 East, NMPM, to form a standard 319.49-acre gas spacing and proration unit in the East Carlsbad-Morrow Gas Pool. The unit is to be dedicated to the Joell Well No. 2, to be located at an orthodox gas well location in the SW¼NE¼ of Section 6. Also to be considered will be the cost of drilling and completing the well, actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well.

The Morrow formation underlying the E¼ of Section 6 is divided into three zones, with different sets of ownership in each zone. In addition, a portion of the Morrow formation is subject to an operating agreement, and a portion is not. Applicant requests pooling of the lower portion of the Morrow formation, which is not

subject to an operating agreement, and that the Division approve an allocation of costs and production between the three Morrow zones.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Ken Gray
(landman)

EST. TIME

20 Min.

EXHIBITS

- (a) Land plat
- (b) Correspondence
- (c) Ownership charts
- (d) AFE
- (e) Notice affidavit

(geologist)

10 min.

Cross-section

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

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.