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

2010 NOV 15 A 9:48

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

CASE NO. 14569

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

CASE NO. 14570

IN THE MATTER OF THE APPLICATION OF CIMAREX ENERGY CO OF COLORADO FOR DESIGNATION OF A NON-STANDARD SPACING AND PRORATION UNIT AND FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 14573

DEVON ENERGY PRODUCTION COMPANY'S RESPONSE TO CIMAREX'S MOTION TO CONTINUE AND CONSOLIDATE

Consolidation. Devon agrees with Cimarex's motion to consolidate Case Nos. 14570 and 14573. Case No. 14569 should also be consolidated with these cases, as all involve the designation of non-standard spacing units and the consolidation of unjoined interests in the same section. Devon proposed doing so earlier (see November 9, 2010 e-mail, Exhibit A, attached), but Cimarex has not responded.

<u>Continuance</u>. We have informed counsel for Cimarex that a scheduling conflict for Devon's petroleum engineering witness¹ prevents his attendance on December 2nd. Devon agrees to continue these cases to December 16, 2010.

¹ Daughter's wedding.

Respectfully submitted,
MONTGOMERY & ANDREWS, P. A.

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J. Scott Hall

P.O. Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873 - Telephone (505) 982-4289 - Fax

Attorneys for Devon Energy Production Company, L.P.

Certificate of Service

I hereby certify that on November <u>1</u>, 2010, a true and correct copy of the foregoing was sent via e-mail and regular mail to:

W. Thomas Kellahin, Esq. Kellahin & Kellahin 706 Gonzales Road Santa Fe, NM 87501

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J. Scott Hall

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J. Scott Hall

From:

J. Scott Hall

Sent:

Tuesday, November 09, 2010 4:27 PM

To:

'Thomas Kellahin'

Subject:

RE: Request Devon-Cimarex OCD Cases

Tom:

December 2nd doesn't work for us, and we don't concur, but here is a proposed resolution:

I understand that Cimarex will soon be coming forward with an application for its North Young Fed Com 3-H in the W/2 W/2 of Sec. 15, so we will have four conflicting applications. Each party can assert that the other has procedural problems with one or more application. Instead of digressing into a dispute over such matters, we think it makes more sense to have all applications heard simultaneously on December 16th.

Accordingly, proposed terms: (1) Cimarex and Devon will file a stipulated motion to consolidate and continue all three cases (or four, if the Young 3-H is filed in time) for hearing on December 16, 2010. (2) Cimarex withdraws its motion to dismiss in Case 14569 and we won't file one in Case 14573. (3) Both parties will hold in abeyance construction of roads/pads and commencement of drilling of any well on Section 15 until these applications are resolved with finality, including through appeal, or through settlement.

Please discuss with your client and let me know.

Scott

J. Scott Hall Montgomery & Andrews, P.A. P. O. Box 2307 Santa Fe, NM 87504-2307 shall@montand.com (505) 986-2646

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From: Thomas Kellahin [mailto:tkellahin@comcast.net]

Sent: Monday, November 08, 2010 2:38 PM

To: J. Scott Hall **Cc:** Compton.Mark

Subject: Request Devon-Cimarex OCD Cases

Dear Scott.

On behalf of Cimarex, I am requesting your client's, Devon, concurrence to continuing Case 14570 from the November 18th docket to the December 2nd docket to be consolidated for hearing with Cimarex's Case No. 14573 current set on that docket.

Please advise,

Tom