

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

**APPLICATIONS OF DEVON ENERGY PRODUCTION
COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case Nos. 22958, 22959 & 22960

PREHEARING STATEMENT

Devon Energy Production Company, L.P. (“Devon”), OGRID No. 6137, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

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APPLICANT’S STATEMENT OF CASES

In Case No. 22960, Devon seeks an order (1) establishing a standard 823.92-acre, more or less, spacing and proration unit comprised of Lots 1 through 8 (equivalent to the N/2 N/2) of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, said Sections being correction sections and therefore irregular, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Devon dedicates to the proposed unit its **Burton Flat 3-1 Fed State Com 332H Well**, an oil well, to be drilled to a sufficient depth to test the Bone Spring formation. Devon proposes the **Burton Flat 3-**

1 Fed State Com 332H Well to be horizontally drilled from a surface location in Lot 5 of Section 3 to a bottom hole location in Lot 8 of Section 1.

In Case No. 22959, Devon seeks an order (1) establishing a standard 960-acre, more or less, spacing and proration unit comprised of Lots 9 through 16 (equivalent to the S/2 N/2) of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, said Sections being correction sections and therefore irregular, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Devon dedicates to the proposed unit its **Burton Flat 3-1 Fed State Com 333H Well**, an oil well, to be drilled to a sufficient depth to test the Bone Spring formation. Devon proposes the **Burton Flat 3-1 Fed State Com 333H Well** to be horizontally drilled from a surface location in Lot 5 of Section 3 to a bottom hole location in Lot 9 of Section 1.

In Case No. 22958, Devon seeks an order (1) establishing a standard 823.92-acre, more or less, spacing and proration unit comprised of Lots 1 through 8 (equivalent to the N/2 N/2) of Sections 1, 2 and 3, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, said Sections being correction sections and therefore irregular, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying said unit. Devon dedicates to the proposed unit the following initial oil wells: the **Burton Flat 3-1 Fed State Com 621H Well**; the **Burton Flat 3-1 Fed State Com 622H Well**, and the **Burton Flat 3-1 Fed State Com 822H Well**, to be drilled to a sufficient depth to test the Wolfcamp formation.

Devon proposes the **Burton Flat 3-1 Fed State Com 621H Well** to be horizontally drilled from a surface location in Lot 5 of Section 3 to a bottom hole location in Lot 1 of Section 1. Devon proposes the **Burton Flat 3-1 Fed State Com 622H Well** to be horizontally drilled from a surface location in Lot 5 of Section 3 to a bottom hole location in Lot 8 of Section 1. And Devon proposes

the **Burton Flat 3-1 Fed State Com 822H Well** to be horizontally drilled from a surface location in Lot 5 of Section 3 to a bottom hole location in Lot 1 of Section 1.

The wells proposed in Case Nos. 22958-60 are orthodox in their locations, and the take points and completed intervals comply with setback requirements under statewide rules.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Andy Bennett	Approx. 20 min	Approx. 15
Geologist: Joe Dixon	Approx. 15 min	Approx. 7

PROCEDURAL MATTERS

Devon requests that, to the extent allowable at the time of the hearing, Case Nos. 22958, 22959 and 22960 be consolidated and heard together as they involve units within the same sections and are submitted for the Division’s consideration as Devon’s preferred spacing and proration units for the correction sections involved.

MRC and Sabinal have made entries of appearances in the three cases but have not filed any protests or objections to the hearings being conducted by affidavit.

Chevron has made an entry of appearance in Case Nos. 22959 and 22960, involving the Bone Spring formation, and has given a notice of opposition to presentation by affidavit in these two Cases. However, Chevron and Devon are in negotiations to resolve their differences, and Devon anticipates that a resolution will likely be reached prior to the hearing.

Therefore, Devon plans to present Case No. 22958, involving the Wolfcamp formation, by affidavit, and Devon will be submitting Exhibits for Case Nos. 22959 and 22960 in anticipation

that the issues remaining between Chevron and Devon will be resolved prior to the hearing, and if resolved, Devon will plan to proceed by affidavit in these two Cases as well.

Devon has submitted alternate applications in Case Nos. 22961, 22962, 22963 and 22964 for the Division's consideration should the Division reject the proposed spacing herein in Case Nos. 22958-60.

Respectfully submitted,

ABADIE & SCHILL, PC

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**Attorneys for Devon Energy Production
Company, L.P.**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on August 11, 2022:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 133358

QUESTIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 133358
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	35