

**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. 22961 & 22963**

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

**Case Nos. 22962 & 22964**

**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**

Devon Energy Production Company, L.P.

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INTERESTED PARTIES

MRC Permian Company (“MRC”)
EOA in all cases above referenced

Sabinal Energy Operating, LLC (“Sabinal”)
EOA in Cases 22961 & 22963

Chevron U.S.A. Inc. (“Chevron”)
EOA in Case Nos. 22963 & 22964

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APPLICANT’S STATEMENT OF CASES

In Case No. 22961, Devon seeks an order (1) establishing a standard 480-acre, more or less, spacing and proration unit comprised of Lots 5, 6, 7 and 8 (Lots 5-8) 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 its **Burton Flat 3-1 Fed State Com 622H Well**, to be drilled to a sufficient depth to test the Wolfcamp formation. 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.

In Case No. 22962, Devon seeks an order (1) establishing a non-standard, if necessary, 343.92-acre, more or less, spacing and proration unit comprised of Lots 1, 2, 3 and 4 (Lots 1-4) 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 its **Burton Flat 3-1 Fed State Com 621H Well** and the **Burton Flat 3-1 Fed State Com 822H Well**, as initial oil wells, 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, 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.

In Case No. 22963, Devon seeks an order (1) establishing a standard 480-acre, more or less, spacing and proration unit comprised of Lots 9 through 12 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**, as an initial 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. 22964, Devon seeks an order (1) establishing a nonstandard, if necessary, 823.92-acre, more or less, spacing and proration unit comprised of Lots 1 through 8 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 the **Burton Flat 3-1 Fed State Com 332H Well**, as an initial 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.

The wells proposed in Case Nos. 22961-64 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. 25 min | Approx. 20 |
| 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. 22961, 22962, 22963, and 22964 be consolidated and heard together as they involve units within the same sections and are submitted in the alternative to Case Nos. 22958, 22959 and 22960.

MRC and Sabinal have made entries of appearances in the four cases herein 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. 22963 & 22964, 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 Nos. 22961 & 22962, involving the Wolfcamp formation, by affidavit, and Devon will be submitting Exhibits for Case Nos. 22963 and 22964 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 respectfully submitted for the Division's consideration applications in Case Nos. 22958, 22959 and 22960 representing Devon's preferred spacing units within the correction sections.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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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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/s/ Darin C. Savage

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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 133368

**QUESTIONS**

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|---|--|
| Operator:<br>DEVON ENERGY PRODUCTION COMPANY, LP<br>333 West Sheridan Ave.<br>Oklahoma City, OK 73102 | OGRID:<br>6137   |
|   | Action Number:<br>133368                                 |
|   | Action Type:<br>[HEAR] Prehearing Statement (PREHEARING) |

**QUESTIONS**

|  |    |
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| <b>Testimony</b>   |    |
| <i>Please assist us by provide the following information about your testimony.</i> |    |
| Number of witnesses  | 2  |
| Testimony time (in minutes)  | 40 |