

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR APPROVAL OF AN OVERLAPPING
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 24427

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P.
FOR APPROVAL OF A NON-STANDARD
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 24430

DEVON’S CONSOLIDATED PRE-HEARING STATEMENT

Devon Energy Production Company, L.P. (“Devon”) submits this pre-hearing statement as required by the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production
Company, L.P.

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Paula Vance
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
pmvance@hollandhart.com

OTHER PARTIES

FAE II Operating, LLC

EOG Resources, Inc.

ATTORNEY

Ernest L. Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalawnm@outlook.com

Jordan L. Kessler
EOG RESOURCES, INC.
125 Lincoln Avenue, Suite 213
Santa Fe, New Mexico 87501
(432) 488-6108
Jordan_kessler@eogresources.com

APPLICANT'S STATEMENT OF THE CASE

In these consolidated cases Devon seeks orders pooling 640-acre horizontal well spacing units, one in the Bone Spring formation and the other in the Wolfcamp formation, underlying the NE4 of Section 9, the N2 of Section 10, and the NW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, as follows:

- **Case 24427** seeks to pool a standard 640-acre overlapping horizontal well spacing unit in the Bone Spring formation to be initially dedicated to the following proposed wells:
 - **Bent Tree 9-11 Fed Com 221H**, to be horizontally drilled from a surface location in the SE4NW4 (Unit F) of Section 9, with a first take point in the NW4NE4 (Unit B) of Section 9 and a last take point in NE4NW4 (Unit C) of Section 11;
 - **Bent Tree 9-11 Fed Com 332H**, to be horizontally drilled from a surface location in the SE4NW4 (Unit F) of Section 9, with a first take point in the SE4NE4 (Unit G) of Section 9 and a last take point in SE4NW4 (Unit F) of Section 11; and

- **Bent Tree 9-11 Fed Com 333H**, to be horizontally drilled from a surface location in the SE4NW4 (Unit F) of Section 9, with a first take point in the SE4NE4 (Unit G) of Section 9 and a last take point in SE4NW4 (Unit F) of Section 11.

The completed interval of the Bent Tree 9-11 Fed Com 332H well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in the proposed spacing unit. This proposed spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of the N2N2 of Section 10 dedicated to the Cerf 10 Federal 3H (30-015-41058) operated by Devon and assigned to the Avalon; Bone Spring, East Pool (3713); and
- A 160-acre spacing unit comprised of the S2N2 of Section 10 dedicated to the Cerf 10 Federal 4H (30-015-41059) operated by Devon and assigned to the Avalon; Bone Spring, East Pool (3713).

Since the proposed wells are targeting the Second Bone Spring sands and the Third Bone Spring Sands, Devon anticipates the wells will be assigned to a different oil pool to be determined by the Division.

- **Case 24430** seeks to pool a non-standard, as needed, 640-acre horizontal well spacing unit in the Wolfcamp formation to be initially dedicated to the following proposed wells:

- **Bent Tree 9-11 Fed Com 621H**, to be horizontally drilled from a surface location in the SE4NW4 (Unit F) of Section 9, with a first take point in the NW4NE4 (Unit B) of Section 9 and a last take point in NE4NW4 (Unit C) of Section 11; and

- **Bent Tree 9-11 Fed Com 622H**, to be horizontally drilled from a surface location in the SE4NW4 (Unit F) of Section 9, with a first take point in the SE4NE4 (Unit G) of Section 9 and a last take point in SE4NW4 (Unit F) of Section 11.

Devon has been informed that the affected acreage is currently subject to the following pools:

- The E2 of Section 9 and all of Sections 10 and 11 are assigned to the Alacran Hills; Wolfcamp (Gas) [70070], and subject to 320-acre spacing.
- The W2 of Section 9 is assigned to the WC Alacran Hills Upper Wolfcamp [98314], an oil pool subject to 40-acre spacing.

These wells will be targeting the upper intervals of the Wolfcamp formation and Devon expects them to produce oil. However, it is unclear whether the Division will place these wells in the existing oil pool or the existing gas pool. If these wells are placed in the Wolfcamp oil pool, Devon seeks approval of a non-standard spacing unit to allow for effective well spacing, to prevent waste and to protect correlative rights. If these wells are placed in the Wolfcamp gas pool, then the request for approval of a non-standard spacing unit under Case 24430 can be dismissed pursuant to NMRA 19.15.16.15.B(3) (Standard horizontal spacing units for horizontal gas wells).

Devon has sought but been unable to obtain voluntary agreement for the development of this acreage from all the affected mineral owners.

PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

Name and Expertise

David Brouard,
Landman

Self-Affirmed Statement

Approx. 6 in each
case

Joseph Dixon,
Geologist

Self-Affirmed Statement

Approx. 3 in each
case

PROCEDURAL MATTERS

Devon does not anticipate opposition at hearing and therefore intends to present these matters by self-affirmed statements.

Since the oil pool applicable to the proposed Bone Spring wells is unknown, and since it is unclear whether the Division will place the proposed Wolfcamp wells in the existing Wolfcamp oil pool or the existing Wolfcamp gas pool, the Applicant has placed TBD in the Pool Name/Pool Code lines of Compulsory Pooling Checklists for these cases and in each checklist identified the appropriate Building Blocks for an oil and a gas pool.

If the Wolfcamp wells are placed in the Wolfcamp oil pool, Devon seeks approval of a non-standard spacing unit to allow for effective well spacing, to prevent waste and to protect correlative rights. If the Wolfcamp wells are placed in the Wolfcamp gas pool, then the request for approval of a non-standard spacing unit under Case 24430 can be dismissed pursuant to NMRA 19.15.16.15.B(3) (Standard horizontal spacing units for horizontal gas wells).

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Paul Vance

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

pmvance@hollandhart.com

**ATTORNEYS FOR DEVON ENERGY
PRODUCTION COMPANY, L.P.**

CERTIFICATE OF SERVICE

I hereby certify that on July 18, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Ernest L. Padilla
Padilla Law Firm, P.A.
Post Office Box 2523
Santa Fe, New Mexico 87504
(505) 988-7577
padillalawnm@outlook.com

Attorney for FAE II Operating, LLC

Jordan L. Kessler
EOG RESOURCES, INC.
125 Lincoln Avenue, Suite 213
Santa Fe, New Mexico 87501
(432) 488-6108
Jordan_kessler@eogresources.com

Attorney for EOG Resources, Inc.



Michael H. Feldewert

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 365271

QUESTIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 365271
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>