

**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. 24429

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

CASE NO. 24431

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.

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APPLICANT'S STATEMENT OF THE CASE

In these consolidated cases Devon seeks orders pooling 800-acre horizontal well spacing units, one in an interval of the Bone Spring formation and the other in the Wolfcamp formation, underlying the S2 of Section 9, the S2 of Section 10, and the SW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, as follows:

- **Case 24429** seeks to pool a standard 800-acre overlapping horizontal well spacing unit in an interval of the Bone Spring formation from the correlative stratigraphic equivalent of 8218 feet measured depth as shown in the dual laterolog of the Yates State 2 (API # 30-015-32801), which is below the Second Bone Spring Sands and above the Third Bone Spring intervals, to the base of the Bone Spring formation. Applicant seeks to initially dedicate this standard horizontal well spacing unit to the following proposed wells:

- **Bent Tree 9-11 State Com 337H**, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the NW4SW4 (Unit L) of Section 9 and a last take point in NE4SW4 (Unit K) of Section 11; and
- **Bent Tree 9-11 State Com 338H**, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the SW4SW4 (Unit M) of Section 9 and a last take point in SE4SW4 (Unit N) of Section 11.

The completed interval of the Bent Tree 9-11 State Com 338H 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 and proposed spacing units in the Bone Spring formation:

- A 400-acre spacing unit comprised of the S2S2 of Section 9, S2S2 of Section 10, and the S2SW/4 of Section 11 that Devon has proposed for the Bent Tree 9-11 State 224H well to be drilled in a shallower interval of the Bone Spring formation;
- A 160-acre spacing unit comprised of the N2S2 of Section 10 dedicated to the Cerf 10 State 7H (30-015-42709) and Cerf 10 State 9H (30-015-42710) wells operated by Devon that are producing from shallower intervals of the Bone Spring formation and placed in the Avalon; Bone Spring, East Pool (3713); and
- A 160-acre spacing unit comprised of the N2S2 of Section 11 dedicated to the Cedar 11 State 1H (30-015-42734) and Cerf 11 State 2H (30-015-42737) wells operated by Devon that are producing from shallower intervals of the Bone Spring formation and placed in the Avalon; Bone Spring, East Pool (3713).

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

- The SE4 of Section 9 is assigned to the Magruder; Bone Spring (Gas) Pool [80887], which is subject to 160-acre spacing.

- The N2 and SW4 of Section 9, and all of Sections 10 and 11, are assigned to the Avalon; Bone Spring, East Pool [3713], an oil pool subject to 40-acre spacing.

Since the proposed wells are targeting the Third Bone Spring Sands, and Devon expects the wells to produce oil, Devon anticipates the wells will be assigned to an oil pool to be determined by the Division.

- **Case 24431** seeks to pool an 800-acre, more or less, standard horizontal well spacing unit in the Wolfcamp formation underlying the S2 of Section 9, the S2 of Section 10, and the SW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. This standard unit will be initially dedicated to the following proposed wells:

- **Bent Tree 9-11 State Com 625H**, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the nW4SW4 (Unit L) of Section 9 and a last take point in NE4SW4 (Unit K) of Section 11; and
- **Bent Tree 9-11 State Com 626H**, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the SW4SW4 (Unit M) of Section 9 and a last take point in SE4SW4 (Unit N) of Section 11.

The completed interval of the Bent Tree 9-11 State Com 625H well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in the proposed horizontal oil spacing unit.

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) Pool [70070], which is subject to 320-acre spacing.

- o The W2 of Section 9 is assigned to the WC Alacran Hills Upper Wolfcamp Pool [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.

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 Name and Expertise	ESTIMATED TIME	EXHIBITS
David Broussard, Landman	Self-Affirmed Statement	Approx. 5 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 it is unclear whether the Division will place the proposed Bone Spring wells and the proposed Wolfcamp wells in oil pools or gas pools, 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.

Respectfully submitted,

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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:

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

QUESTIONS

Action 365277

QUESTIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 365277
	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>