

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P. TO VACATE
ORDER NOS. R-21517 & R-21518 AND TO
POOL A STANDARD 640-ACRE
HORIZONTAL SPACING UNIT, LEA
COUNTY, NEW MEXICO.**

CASE NO. 21903

DEVON'S 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, LP

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421
(505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF THE CASE

Devon seeks to vacate Order Nos. R-21517 and R-21518, and to pool all interests in the Bone Spring formation [Antelope Ridge; Bone Spring pool (Pool code 2200)] underling a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 and the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico.

Division Order No. R-21517 (“Order”), entered on November 2, 2020, in Case No. 21397, created and pooled a 320-acre, more or less, standard horizontal spacing unit in the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31 and dedicated the Unit to the initial **Red Bull 30-31 Fed State Com #2H well**.

Division Order No. R-21518 (“Order”), entered on November 2, 2020, in Case No. 21398, created and pooled a 320-acre, more or less, standard horizontal spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 30 and 31, and dedicated the Unit to the initial **Red Bull 30-31 Fed State Com #3H well**.

Devon is the designated operator of each unit and pursuant to Order R-21518 commenced drilling the **Red Bull 30-31 Fed State Com #3H well**. However, due to drilling issues the wellbore had to be cut short and will only be able to develop W/2 E/2 of Section 30. For these reasons, Devon seeks to vacate the two pooled 320-acre spacing units created by Order Nos. R-21517 and R-21518, and replace them with a 640-acre pooled spacing unit comprised of the W/2 E/2 and the E/2 of W/2 of Sections 30 and 31. This new 640-acre spacing unit will be initially dedicated to the following wells:

- a. The proposed **Red Bull 30-31 Fed State Com #2H well**, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 30, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and
- b. The existing **Red Bull 30-31 Fed State Com #3H well**, which has been drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, to a bottom hole location in the SE/4 NE/4 (Unit G) of Section 31.

The completed interval for the **Red Bull 30-31 Fed State Com #2H well** will be located closer than 330 feet from the quarter-quarter line separating the E/2 from the W/2 of Sections 30 and 31 to allow inclusion of the E/2 W/2 acreage in this standard horizontal spacing unit.

PROPOSED EVIDENCE

WITNESSES Name and Expertise	ESTIMATED TIME	EXHIBITS
Ryan Cloer, Landman	Affidavit	6
Tom Peryam, Geologist	Affidavit	3

PROCEDURAL MATTERS

Devon does not expect opposition at hearing and therefore intends to present this case by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

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