

**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.

ATTORNEY

Darin C. Savage
William E. Zimsky
Andrew D. Schill
Abadie & Schill, PC
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

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

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: 505.988.4421
Facsimile: 505.983.6043
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

Blake C. Jones
Steptoe & Johnson PLLC
1780 Hughes Landing Blvd., Ste 750
The Woodlands, TX 77380
Telephone: 281.203.5730
Facsimile: 281.203.5701
Blake.jones@steptoe-johnson.com

Earl E. DeBrine, Jr.
Deana M. Bennett
Jamie L. Allen
Bryce H. Smith
Modrall, Sperling, Roehl, Harris &
Sisk, P.A.
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
jallen@modrall.com
bsmith@modrall.com

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

Darin C. Savage

William E. Zimsky
Andrew D. Schill
214 McKenzie Street
Santa Fe, New Mexico 87501

Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
bill@abadieschill.com
andrew@abadieschill.com

**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:

Michael H. Feldewert	mfeldewert@hollandhart.com
Adam G. Rankin	agrankin@hollandhart.com
Julia Broggi	jbroggi@hollandhart.com
Paul M. Vance	pmvance@hollandhart.com

Attorneys for MRC Permian Company

Blake C. Jones	Blake.jones@steptoe-johnson.com
----------------	---------------------------------

Attorney for Sabinal Energy Operating, LLC

Earl E. DeBrine, Jr.	edebrine@modrall.com
Deana M. Bennett	deana.bennett@modrall.com
Jamie L. Allen	jallen@modrall.com
Bryce H. Smith	bsmith@modrall.com

Attorneys for Chevron U.S.A. Inc.

/s/ Darin C. Savage

Darin C. Savage

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 133363

QUESTIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 133363
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	40