

**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 HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 23485

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

CASE NO. 23486

DEVON’S SECOND AMENDED CONSOLIDATED PRE-HEARING STATEMENT

Devon Energy Production Company, L.P. (“Devon” or “Applicant”), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production Company, L.P.

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Devon seeks orders pooling all uncommitted interests in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the referenced acreage all in Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

- Under **Case No. 23485**, Devon seeks (a) approval of a standard 800-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 of Sections 3 and 10, and the NW/4 of Section 15, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Devon seeks to initially dedicate this overlapping Bone Spring spacing unit to the proposed **North Blondie 3–15 Fed Com #1H** and **North Blondie 3–15 Fed Com #6H** wells, both to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 15, Township 26 South, Range 34 East; **North Blondie 3–15 Fed Com #8H** and **North Blondie 3–15 Fed Com #2H** wells, both to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East; and the **North Blondie 3–15 Fed Com #9H** well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East. The bottom hole location for the **North Blondie 3–15 Fed Com #2H** was shifted 210 feet to the east to account for Devon's preferred well spacing for the proposed horizontal spacing unit.

- This 800-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:
 - 160-acre, more or less, horizontal well spacing unit comprised of the E/2 W/2 of Section 3, Township 26, South, Range 34 East, dedicated to the Dean APQ Federal #2 well (API: 30-025-40089).
- Under **Case No. 23486**, Devon seeks to pool a standard 800-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 3 and 10, and the NE/4 of Section 15 and initially dedicate this Bone Spring spacing unit to the proposed **North Blondie 3–15 Fed Com #3H, North Blondie 3–15 Fed Com #4H, and North Blondie 3–15 Fed Com #10H** wells, all to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15, Township 26 South, Range 34 East; **North Blondie 3–15 Fed Com #11H** well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15, Township 26 South, Range 34 East; and the **North Blondie 3–15 Fed Com #5H and North Blondie 3–15 Fed Com #13H** wells, both to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15, Township 26 South, Range 34 East. The bottom hole location for the **North Blondie 3–15 Fed Com #4H** was shifted 440 feet to the west to account for Devon’s preferred well spacing for the proposed horizontal spacing unit.

The completed interval of the **North Blondie 3–15 Fed Com #11H** and **North Blondie 3–15 Fed Com #8H** wells are expected to remain within 330 feet of the adjoining quarter-quarter

section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

All of the proposed wells will meet the statewide setbacks for oil wells, except the **North Blondie 3–15 Fed Com #3H**. The **North Blondie 3–15 Fed Com #3H** will be at a non-standard location; therefore, Devon will apply separately by administrative application. Devon has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Daniel Brunsman, Landman	Self-Affirmed Statement	Approx. 6
Matthew Myers, Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

Devon requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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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 220844

QUESTIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 220844
	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>