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

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

Case No. 25296

PREHEARING STATEMENT

Devon Energy Production Company, L.P. ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Prehearing Statement with the Oil Conservation Division ("Division"), pursuant to the Division's rules.

APPLICANT

Devon Energy Production Company, L.P.

ATTORNEY

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

APPLICANT'S STATEMENT OF THE CASE

In Case No. 25296, Devon seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying a standard 640-acre, more or less, spacing unit comprised of the W/2 of Sections 22 and 27, all in Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. To the extent necessary, Devon also seeks to reopen Case No. 23119 in which the Division pooled all interests in the Bone Spring formation underlying the E/2 W/2 of Sections 22 and 27 for the limited purpose of vacating and supplanting Order No. R-22550 with the new pooling order issued in this case.

1. Devon is a working interest owner in the proposed horizontal spacing unit ("HSU") and has a right to drill a well thereon.

2. Under <u>Case No. 25296</u>, Devon proposes and dedicates to the HSU the Haflinger 22-27 Fed Com 100H Well, the Haflinger 22-27 Fed Com 121H Well, the Haflinger 22-27 Fed Com 125H Well, the Haflinger 22-27 Fed Com 231H Well, the Haflinger 22-27 Fed Com 232H Well, the Haflinger 22-27 Fed Com 233H Well, the Haflinger 22-27 Fed Com 300H Well, the Haflinger 22-27 Fed Com 303H Well, the Haflinger 22-27 Fed Com 520H Well, the Haflinger 22-27 Fed Com 521H Well, the Haflinger 22-27 Fed Com 522H Well, the Haflinger 22-27 Fed Com 524H Well, the Haflinger 22-27 Fed Com 525H Well, and the Haflinger 22-27 Fed Com 526H Well, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 100H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 121H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the **Haflinger 22-27 Fed Com 125H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4

(Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 231H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 232H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27. The Haflinger 22-27 Fed Com 232H Well is the proximity well, positioned so the unit can include proximity tracts, thereby incorporating the E/2 W/2 of Sections 22 and 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 233H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 300H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 303H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 520H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.

- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 521H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 522H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 524H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 525H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.
- Under <u>Case No. 25296</u>, Devon proposes the Haflinger 22-27 Fed Com 526H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 22 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 27.

3. The wells proposed herein are orthodox in their location; and the take points and completed intervals will comply with setback requirements under statewide rules.

4. Devon previously pooled the Bone Spring underlying the E/2 W/2 of Sections 22 and 27 under Order No. R-22550. Devon dedicated the **Haflinger 22-27 Fed Com 304H Well** to the spacing unit created under Order No. R-22550. Devon seeks to have Order No. R-22550 vacated and replaced with the order issued in this case. Accordingly, Devon intends to rededicate the **Haflinger 22-27 Fed Com 304H Well** to the spacing unit proposed herein.

APPLICANT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Ryan Cloer	Approx. 10 min	Approx. 5
Geologist: Kate Hughston-Kennedy	Approx. 10 min	Approx. 6

PROCEDURAL MATTERS

No protests or objections have been filed, and Devon does not anticipate any at this time;

consequently, Devon plans to conduct the hearing by affidavit or self-affirmed statements.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage Darin C. Savage

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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

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	457598
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)
QUESTIONS	

Testimony

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Please assist us by provide the following information about your testimony.		
Number of witnesses	2	
Testimony time (in minutes)	20	

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