

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR
APPROVAL OF 1264.64-ACRE NON-STANDARD SPACING UNITS IN THE
BONE SPRING AND WOLFCAMP FORMATIONS COMPRISED OF ACREAGE
SUBJECT TO PROPOSED COMMUNITIZATION AGREEMENTS, LEA
COUNTY, NEW MEXICO.**

CASE NO. 20732

DEVON'S PRE- HEARING STATEMENT

Devon Energy Production Company, L.P. ("Devon") submits this pre-hearing statement pursuant to the rules of the New Mexico Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Devon Energy Corporation

ATTORNEY

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STATEMENT OF THE CASE

Devon seeks an order approving two 1264.64 acre non-standard spacing units, one in the Bone Spring formation and one in the Wolfcamp formations, comprised of acreage subject to corresponding Communitization Agreements covering the S/2 of Section 20, all of Section 29 and all of Irregular Section 32, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. Devon seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing units.

There are two pools within the Bone Spring formation underlying the proposed non-standard spacing unit: The WG-025 G-0652634079; Upper Bone Spring (Pool Code 97892) defined by the Division's District Office as the top of the Bone Spring formation to the top of the First Bone Spring Sand interval, and the Bradley; Bone Spring (Pool Code 7280) defined as the top of the First Bone Spring Sand interval to the base of the Third Bone Spring Sand interval. Devon has drilled the Green Wave 20-32 Fed State Com 1H (30-025-43186) in the WG-025 G-0652634079; Upper Bone Spring Pool and has drilled or permitted the following wells in the deeper Bradley; Bone Spring Pool:

- Green Wave 20-32 Fed State Com 3H (30-025-43184)
- Green Wave 20-32 Fed State Com 15H (30-025-46141)
- Green Wave 20-32 Fed State Com 16H (30-025-46056)
- Green Wave 20-32 Fed State Com 17H (30-025-46057)
- Green Wave 20-32 Fed State Com 18H (30-025-46058)

Devon's drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard project area.

There are also two pools within the Wolfcamp formation underlying the proposed non-standard spacing unit: The Bobcat Draw; Upper Wolfcamp (Pool Code 98094) defined by the Division's District Office as the top of the Wolfcamp to a depth of 500 feet, and the Bradley; Wolfcamp (Gas) (Pool Code 72860) defined as the remainder of the Wolfcamp formation. Devon has permitted the following wells in the Bobcat Draw; Upper Wolfcamp Pool:

- Green Wave 20-32 Fed State Com 2H (30-025-44594)
- Green Wave 20-32 Fed State Com 4H (30-025-46046)
- Green Wave 20-32 Fed State Com 5H (30-025-46047)
- Green Wave 20-32 Fed State Com 6H (30-025-46048)
- Green Wave 20-32 Fed State Com 7H (30-025-46049)
- Green Wave 20-32 Fed State Com 8H (30-025-46050)

- Green Wave 20-32 Fed State Com 9H (30-025-46051)
- Green Wave 20-32 Fed State Com 10H (30-025-46052)
- Green Wave 20-32 Fed State Com 11H (30-025-46053)
- Green Wave 20-32 Fed State Com 12H (30-025-46054)
- Green Wave 20-32 Fed State Com 13H (30-025-46055)
- Green Wave 20-32 Fed State Com 14H (30-025-45746)

Devon's drilling program for this area will develop the Bobcat Draw; Upper Wolfcamp Pool underlying each of the 40-acre tracts comprising the proposed non-standard project area.

Both the New Mexico State Land Office and the Bureau of Land Management have informed Devon that they prefer and will approve separate Communitization Agreements for the Bone Spring and the Wolfcamp formations comprised of the subject acreage. To allow the existing, permitted and future wells to be dedicated to the acreage subject to the desired Communitization Agreements, Devon requires approval of corresponding non-standard spacing units in the Bone Spring and Wolfcamp formations. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.,* 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC and 19.15.16.15.C(7) NMAC. Approval of this application will allow Devon to efficiently locate surface facilities; reduce surface disturbance; consolidate roads, tanks and pipelines; and promote effective well spacing.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Joe Hammond, Landman	20 Minutes	8
Spencer Rolfs, Geologist	10 Minutes	5
Chris Cope, Engineer	10 Minutes	3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

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