

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, LP, FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 20508-20512, and 20514

PRE-HEARING STATEMENT

DEVON ENERGY PRODUCTION COMPANY, LP (“Devon”) provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

DEVON ENERGY PRODUCTION
COMPANY, LP

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OPPONENT

EOG M RESOURCES, INC. and
EOG Y RESOURCES, INC.

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STATEMENT OF THE CASE

In Case No. **20508**, Applicant Devon Energy Production Company, LP (“Applicant” or “Devon”) seeks an order pooling all uncommitted interests in the Bone Spring formation (Forty Niner Ridge; BONE SPRING WEST [96526]) underlying the W/2 of the W/2 of Section 13 and the W/2 of the SW/4 of Section 12, all in Township 24 South, Range 29 East, Eddy County, New Mexico, creating a standard 240-acre, more or less, horizontal spacing and proration unit. This unit is to be dedicated to the proposed **Fully Loaded 12-1 FED COM 331H** well, to be horizontally drilled from an approximate surface hole location 2356’ FNL and 1343’ FWL of Section 12-T24S-R29E to an approximate bottomhole location 20’ FNL and 330’ FWL of Section 1-T24S-R29E. The completed interval and first and last take points for this well are within the setbacks required by statewide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 6 miles east of Malaga, New Mexico.

In Case No. **20509**, Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation (Forty Niner Ridge; BONE SPRING WEST [96526]) underlying the E/2 of the W/2 of Section 1 and the E/2 of the NW/4 of Section 12, all in Township 24 South, Range 29 East, Eddy County, New Mexico, creating a standard 240-acre, more or less, horizontal spacing and proration unit. This unit is to be dedicated to the proposed **Fully Loaded 12-1 FED**

COM 332H well, to be horizontally drilled from an approximate surface hole location 2276' FNL and 1793' FWL of Section 12-T24S-R29E to an approximate bottomhole location 20' FNL and 1650' FWL of Section 1-T24S-R29E. This is the "defining well" for this unit. The completed interval and first and last take points for this well are within the setbacks required by statewide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 6 miles east of Malaga, New Mexico.

In Case No. **20510**, Applicant seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; WOLFCAMP GAS [98220]) underlying the W/2 of Section 1 and the NW/4 of Section 12, all in Township 24 South, Range 29 East, Eddy County, New Mexico, creating a standard 480-acre, more or less, horizontal spacing and proration unit. This unit is to be dedicated to the proposed **Fully Loaded 12-1 FED COM 621H** well, to be horizontally drilled from an approximate surface hole location 2356' FNL and 1403' FWL of Section 12-T24S-R29E to an approximate bottomhole location 20' FNL and 990' FWL of Section 1-T24S-R29E. This is the "defining well" for this unit. Also to be drilled is the following infill well: **Fully Loaded 12-1 FED COM 622H** well, to be horizontally drilled from an approximate surface hole location 2276' FNL and 1853' FWL of Section 12-T24S-R29E to an approximate bottomhole location 20' FNL and 2310' FWL of Section 1-T24S-R29E. The completed interval and first and last take points for these wells are not within the required setbacks. Devon obtained administrative approval of non-standard locations for each well by Administrative Order NSL-7919 (Aug. 23, 2019) and Administrative Order NSL-7920 (Aug. 23, 2019). Also to be considered will be the cost of drilling and completing the wells and the

allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6 miles east of Malaga, New Mexico.

In Case No. **20511**, Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation (Forty Niner Ridge; BONE SPRING WEST [96526]) underlying the W/2 of the W/2 of Section 13 and the W/2 of the SW/4 of Section 12, Township 24 South, Range 29 East, Eddy County, New Mexico, creating a standard 240-acre, more or less, horizontal spacing and proration unit. This unit is to be dedicated to the proposed **Fully Loaded 12-13 FED COM 331H** well, to be horizontally drilled from an approximate surface hole location 2356' FNL and 1313' FWL of Section 12-T24S-R29E to an approximate bottomhole location 20' FSL and 330' FWL of Section 13-T24S-R29E. This is the "defining well" for this unit. The completed interval and first and last take points for this well are within the setbacks required by statewide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 6 miles east of Malaga, New Mexico.

In Case No. **20512**, Applicant Devon Energy Production Company, LP, seeks an order pooling all uncommitted interests in the Bone Spring formation (Forty Niner Ridge; BONE SPRING WEST [96526]) underlying the E/2 of the W/2 of Section 13 and the E/2 of the SW/4 of Section 12, all in Township 24 South, Range 29 East, Eddy County, New Mexico, creating a standard 240-acre, more or less, horizontal spacing and proration unit. This unit is to be dedicated to the proposed **Fully Loaded 12-13 FED COM 332H** well, to be horizontally drilled from an approximate surface hole location 2276' FNL and 1823' FWL of Section 12-T24S-

R29E to an approximate bottomhole location 20' FSL and 1650' FWL of Section 13-T24S-R29E. This is the “defining well” for this unit. The completed interval and first and last take points for this well are within the setbacks required by statewide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The well and lands are located approximately 6 miles east of Malaga, New Mexico.

In Case No. **20514**, Applicant seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; WOLFCAMP GAS [98220]) underlying the W/2 of Section 13 and the SW/4 of Section 12, Township 24 South, Range 29 East, Eddy County, New Mexico, creating a standard 480-acre, more or less, horizontal spacing and proration unit. This unit is to be dedicated to the proposed **Fully Loaded 12-13 FED COM 622H** well, to be horizontally drilled from an approximate surface hole location 2275' FNL and 1883' FWL of Section 12-T24S-R29E to an approximate bottomhole location 20' FSL and 2310' FWL of Section 13-T24S-R29E. This is the “defining well” for this unit. Also to be drilled is the following infill well: **Fully Loaded 12-13 FED COM 621H** well, to be horizontally drilled from an approximate surface hole location 2356' FNL and 1373' FWL of Section 12-T24S-R29E to an approximate bottomhole location 20' FSL and 990' FWL of Section 13-T24S-R29E. The completed interval and first and last take points for these wells are not within the required setbacks. Devon obtained administrative approvals for each well in Administrative Order NSL-7922 (Aug. 23, 2019) and Administrative Order NSL-7921 (Aug. 23, 2019). Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in

drilling and completing the wells. The wells and lands are located approximately 6 miles east of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Verl Brown (Landman)	15-20 minutes	10-12
Miranda Childress (Geologist)	15-20 minutes	10-12
Lauren Sykes (Engineer)	15-20 minutes	5-8

OPPONENTS EOG M RESOURCES, INC AND EOG Y RESOURCES, INC.:

WITNESSES	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

The above-captioned cases should be consolidated at hearing. If no party objects, Devon will present these cases by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/Sharon T. Shaheen

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CERTIFICATE OF SERVICE

I hereby certify that on October 24, 2019, a true and correct copy of the foregoing *Pre-Hearing Statement* was served by electronic mail on the following counsel of record:

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*Attorneys for EOG M Resources, Inc.
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/s/Sharon T. Shaheen

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