

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

**APPLICATIONS OF MATADOR PRODUCTION
COMPANY FOR A NON-STANDARD SPACING
AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

JUN 21 2018 PM04:27

CASE NOS. 16061-16068

**DEVON ENERGY PRODUCTION COMPANY, L.P.'S
PRE-HEARING STATEMENT**

Devon Energy Production Company, L.P. provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Matador Production Company

ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, 87504
jamesbruc@aol.com

OPPONENT

OXY USA, Inc.

ATTORNEY

Dalva L. Moellenberg
1239 Paseo de Peralta
Santa Fe, New Mexico 87501
dln@gknet.com

INTERESTED PARTY

Devon Energy Production Company,
L.P.

ATTORNEY

Seth C. McMillan
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307
smcmillan@montand.com

STATEMENT OF THE CASE

Case No. 16061: Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 (the W/2W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 121H, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7.

Case No. 16062: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 132H, a horizontal well with a surface location in the NE/4NW/4, and a terminus in the SE/4SW/4, of Section 7.

Case No. 16063: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 133H, a horizontal well with a surface location in the NW/4NE/4, and a terminus in the SW/4SE/4, of Section 7.

Case No. 16064: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 134H, a horizontal well with a surface location in the NE/4NE/4, and a terminus in the SE/4SE/4, of Section 7.

Case No. 16065: Applicant seeks an order approving a 177.24-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of Lots 1-4 (the W/2W/2) of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 211H, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 7.

Case No. 16066: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2W/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 212H, a horizontal well with a surface location in the NE/4NW/4, and a terminus in the SE/4SW/4, of Section 7.

Case No. 16067: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 213H, a horizontal well with a surface location in the NW/4NE/4, and a terminus in the SW/4SE/4, of Section 7.

Case No. 16068: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Wolfcamp formation comprised of the E/2E/2 of Section 7, Township 22 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit (project area). The unit will be dedicated to the Laurie Wyman Fed. Com. Well No. 214H, a horizontal well with a surface location in the NE/4NE/4, and a terminus in the SE/4SE/4, of Section 7.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

Devon Energy Production Company, L.P. is a contractual interest owner in Section 7, Township 22 South, Range 32 East, NMPM. Devon does not at this time intend to put on any witnesses. Counsel may make a statement or seek admission of a relevant exhibit setting forth Devon's position.

PROPOSED EVIDENCE

APPLICANT

| WITNESSES | EST. TIME | <u>EXHIBIT</u> |
|------------------------------|-----------|----------------|
| Chris Carleton (landman) | 25 min. | Approx. 20 |
| Andrew Parker (geologist) | 20 min. | Approx. 8 |

OPPONENT

| WITNESSES | EST. TIME | <u>EXHIBITS</u> |
|-----------------------|-----------|-----------------|
| Unknown at this time. | | |

INTERESTED PARTY

| WITNESSES | EST. TIME | <u>EXHIBITS</u> |
|-----------|-----------|-----------------|
|-----------|-----------|-----------------|

