

**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 No. 20157**

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

**Case No. 20158**

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

**Case No. 20159**

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

**Case No. 20160**

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

**Case No. 20161**

**PRE-HEARING STATEMENT**

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

## APPEARANCES

### APPLICANT

Devon Energy Production Company, LP

### APPLICANT'S ATTORNEYS

Seth C. McMillan  
Kaitlyn A. Luck  
Montgomery & Andrews, P.A.  
P.O. Box 2307  
Santa Fe, NM 87504-2307  
(505) 982-3873  
[smcmillan@montand.com](mailto:smcmillan@montand.com)  
[kluck@montand.com](mailto:kluck@montand.com)

### OPPONENT

None

### OPPONENT'S ATTORNEYS

n/a

## STATEMENT OF THE CASE

In Case No. 20157, Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the N/2 N/2 of Section 13 and the N/2 N/2 of Section 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (Carlsbad; Bone Spring, East pool [pool code 91944]) underlying the standard unit. Said horizontal spacing unit is to be dedicated to the proposed **Lone Tree Draw 14-13 State Com 332H** well, to be horizontally drilled from an approximate surface hole location 1715' FNL and 240' FWL of Section 14 to an approximate bottom hole location 1310' FNL and 230' FEL of Section 13. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) the **Lone Tree Draw 14-13 State Com 331H** well, to be horizontally drilled from an approximate surface hole location 925' FNL and 225' FWL of Section 14 to an approximate bottom hole location 440' FNL and 230' FEL of Section 13. The completed interval for the Lone Tree Draw 14-13 State Com 332H well and the Lone Tree Draw 14-13 State Com 331H well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Lone Tree Draw 14-13 State Com 332H well and the Lone Tree Draw 14-13 State Com

331H well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. 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 northeast of Carlsbad, New Mexico.

In Case No. 20158, Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the S/2 N/2 of Section 13 and the S/2 N/2 of Section 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (Carlsbad; Bone Spring, East pool [pool code 91944]) underlying the standard unit. Said horizontal spacing unit is to be dedicated to the proposed **Lone Tree Draw 14-13 State Com 333H** well, to be horizontally drilled from an approximate surface hole location 1730' FNL and 240' FWL of Section 14 to an approximate bottom hole location 2200' FNL and 230' FEL of Section 13. The completed interval for the Lone Tree Draw 14-13 State Com 333H well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Lone Tree Draw 14-13 State Com 333H well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6 miles northeast of Carlsbad, New Mexico.

In Case No. 20159, Applicant seeks an order from the Division: (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the S/2 of Section 13 and the S/2 of Section 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico,

and (2) pooling all mineral interests in the Bone Spring formation (Carlsbad; Bone Spring, East pool [pool code 91944]) underlying the standard unit. Said horizontal spacing unit is to be dedicated to the proposed **Lone Tree Draw 14-13 State Com 335H** well, to be horizontally drilled from an approximate surface hole location 396' FSL and 195' FWL of Section 14 to an approximate bottom hole location 1310' FSL and 20' FEL of Section 13. This well is the "defining well" for this unit. Also to be drilled are the following infill wells: (1) **the Lone Tree Draw 14-13 State Com 336H** well, to be horizontally drilled from an approximate surface hole location 377' FSL and 172' FWL of Section 14 to an approximate bottom hole location 330' FSL and 20' FEL of Section 13, and (2) **the Lone Tree Draw 14-13 State Com 334H** well, to be horizontally drilled from an approximate surface hole location 2040' FSL and 240' FWL of Section 14 to an approximate bottom hole location 2200' FSL and 230' FEL of Section 13. The completed interval for the Lone Tree Draw 14-13 State Com 335H well, the Lone Tree Draw 14-13 State Com 336H well, and the Lone Tree Draw 14-13 State Com 334H well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Lone Tree Draw 14-13 State Com 335H well, the Lone Tree Draw 14-13 State Com 336H well, and the Lone Tree Draw 14-13 State Com 334H well will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6 miles northeast of Carlsbad, New Mexico.

In Case No. 20160, Applicant seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the N/2 N/2 of Section 13 and the N/2 N/2 of Section 14, Township 21 South, Range 27 East, NMPM, Eddy County, New

Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (Alacran Hills Wolfcamp Gas Pool [70070]) underlying the standard unit. Said horizontal spacing unit is to be dedicated to the proposed **Lone Tree Draw 14-13 State Com 621H** well, to be horizontally drilled from an approximate surface hole location 940' FNL and 225' FWL of Section 14 to an approximate bottom hole location 440' FNL and 230' FEL of Section 13. The completed interval for the Lone Tree Draw 14-13 State Com 621H well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Lone Tree Draw 14-13 State Com 621H will remain within the 100-foot setbacks required by the Statewide rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6 miles northeast of Carlsbad, New Mexico.

In Case No. 20161, Applicant seeks an order from the Division: (1) creating a standard 640-acre, more or less, horizontal spacing and proration unit comprised of the S/2 of Section 13 and the S/2 of Section 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation (Alacran Hills Wolfcamp Gas Pool [70070]) underlying the standard unit. Said horizontal spacing unit is to be dedicated to the proposed **Lone Tree Draw 14-13 State Com 623H** well, to be horizontally drilled from an approximate surface hole location 2025' FSL and 240' FWL of Section 14 to an approximate bottom hole location 1310' FSL and 230' FEL of Section 13. The completed interval for the Lone Tree Draw 14-13 State Com 623H well will remain within the 330-foot setbacks as required by the Statewide rules for horizontal oil wells. The first and last take points for the Lone Tree Draw 14-13 State Com 623H well will remain within the 100-foot setbacks required by the Statewide

rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as Operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 6 miles northeast of Carlsbad, New Mexico.

At the time of filing of this Pre-Hearing Statement, these applications are unopposed.

### **PROPOSED EVIDENCE**

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Cari Allen, Land	20 min.	4
Susan Estes, Geologist	20 min.	6
Karsan Sprague, Petroleum Engineer	20 min.	6

### **PROCEDURAL MATTERS**

The above-captioned cases should be consolidated for purposes of hearing. Assuming these applications remain unopposed, Devon will present these cases by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: Seth C. McMillan

Seth C. McMillan

Kaitlyn A. Luck

Post Office Box 2307

Santa Fe, New Mexico 87504-2307

(505) 982-3873

[smcmillan@montand.com](mailto:smcmillan@montand.com)

[kluck@montand.com](mailto:kluck@montand.com)

*Attorneys for Devon Energy Production  
Company, LP*