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. 23485

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 23486

DEVON'S CONSOLIDATED PRE-HEARING STATEMENT

Devon Energy Production Company, L.P. ("Devon" or "Applicant"), the applicant in the above-referenced matters, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

<u>APPEARANCES</u>

APPLICANT ATTORNEY

Devon Energy Production Company, L.P.

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Holland & Hart, LLP Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com

APPLICANT'S STATEMENT OF THE CASE

Under these consolidated cases, Devon seeks orders pooling all uncommitted interests in the Bone Spring formation (WC-025 G-08 S263412K; Bone Spring [96672]) underlying the referenced acreage all in Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, as follows:

Under Case No. 23485, Devon seeks to pool a standard 800-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 3 and 10, and the NE/4 of Section 15 and initially dedicate this Bone Spring spacing unit to the proposed North Blondie 3–15 Fed Com #3H and North Blondie 3–15 Fed Com #10H wells, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #11H well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NE/4 (Unit G) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #5H and North Blondie 3–15 Fed Com #13H wells, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 15, Township 26 South, Range 34 East; and the North Blondie 3–15 Fed Com #4H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location on the quarter-quarter line between the SW/4 NE/4 (Unit G) and the SE/4 NE/4 (Unit H) of Section 15, Township 26 South, Range 34 East.

- Under Case No. 23486, Devon seeks (a) approval of a standard 800-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation comprised of the W/2 of Sections 3 and 10, and the NW/4 of Section 15, and (b) pooling all uncommitted mineral interests in this overlapping horizontal well spacing unit. Devon seeks to initially dedicate this overlapping Bone Spring spacing unit to the proposed North Blondie 3–15 Fed Com #1H and North Blondie 3–15 Fed Com #6H wells, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 15, Township 26 South, Range 34 East; North Blondie 3–15 Fed Com #8H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East; North Blondie 3-15 Fed Com #9H well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 34, Township 25 South, Range 34 East, to a bottom hole location in the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East; and the North Blondie 3–15 Fed Com #2H well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 34, Township 25 South, Range 34 East, to a bottom hole location on the quarter-quarter line between the SW/4 NW/4 (Unit E) and the SE/4 NW/4 (Unit F) of Section 15, Township 26 South, Range 34 East.
 - o This 800-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit covering portions of the subject acreage:

160-acre, more or less, horizontal well spacing unit comprised of the E/2
 W/2 of Section 3, Township 26, South, Range 34 East, dedicated to the
 Dean APQ Federal #2 well (API: 30-025-40089).

The completed interval of the **North Blondie 3–15 Fed Com #11H** and **North Blondie 3–15 Fed Com #8H** wells are expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

Devon has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject acreage.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Daniel Brunsman, Landman	Self-Affirmed Statement	Approx. 6
Matthew Myers, Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

Devon requests that these matters be consolidated for hearing and intends to present these cases by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
505-983-6043 Facsimile
mfeldewert@hollandhart.com
agrankin@hollandhart.com
jbroggi@hollandhart.com
pmvance@hollandhart.com

ATTORNEYS FOR DEVON ENERGY PRODUCTION COMPANY, L.P.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 215968

QUESTIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	215968
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony			
Please assist us by provide the following information about your testimony.			
Number of witnesses	2		
Testimony time (in minutes)	10		