

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

RECEIVED

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

MAR 26 2004

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A TEMPORARY EXCEPTION
TO DIVISION RULE 104.C.(2)(c), LEA
COUNTY, NEW MEXICO.

Case No. 13241

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by
the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production
Company, L.P.
Suite 1500
20 North Broadway
Oklahoma City, Oklahoma

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Richard Winchester
(405) 228-4415

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order granting an exception to Division Rule 104.C.(2)(c) to allow two operators in the Morrow formation in Lots 1-8 of Section 1, Township 21 South, Range 34 East, NMPM, to form a non-standard 310.08-acre gas spacing and proration unit in the West Osudo-Morrow Gas Pool. The unit will be simultaneously dedicated to the existing State R. Well No. 1, operated by ConocoPhillips Company, located in Lot 6 of Section 1, and the proposed State R Well No. 4, to be operated by applicant, located in Lot 2 of Section 1. The exception will allow applicant to operate the State R Well No. 4, and to produce and sell hydrocarbons, until costs plus a penalty have been recovered under the applicable operating agreement.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

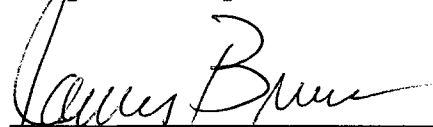
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Richard Winchester (landman)	10 Min.	(a) Land plat (b) Correspondence (c) Support letter (d) Notice affidavit

OPPONENT

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

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Devon Energy
production Company, L.P.