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

2013 APR 11 P 12: 54

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

APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case Nos. 14951-14954

APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 14975

<u>DEVON ENERGY PRODUCTION COMPANY, L.P.'S</u> <u>MOTION FOR A CONTINUANCE</u>

Devon Energy Production Company, L.P. ("Devon") moves for an order continuing the above cases to the May 2, 2013 Examiner hearing, and in support thereof, states:

- 1. In Cases 14951-14954 Devon seeks, collectively, to pool the Yeso formation underlying the N½ of Section 14, Township 17 South, Range 32 East, N.M.P.M. There will be two 160 acre laydown units, the N½N½ and S½N½. The applications were filed on December 21, 2012, and were set for the February 7, 2013 hearing.
- 2. Devon voluntarily continued its cases to the March 7th hearing to allow for discussions between the parties. The cases were again continued to the April 4th hearing due to the filing of COG's application, and again to April 18th to allow settlement discussions among the parties.
- 3. In Case No. 14975 COG Operating LLC ("COG") seeks to pool of the Yeso formation underlying the E½W½ of Section 11 and the E½NW¼ of Section 14, Township 17

South, Range 32 East, N.M.P.M. to form a 240 acre standup unit. The application was filed on February 28, 2013, and was set for the April 4, 2013 hearing.

- 3. The granting of COG's application will require the denial of Devon's applications; and, by the same token, the granting of Devon's applications will require the denial of COG's application. Therefore, the cases must be consolidated for hearing.
- 4. Devon plans on presenting a landman, geologist and reservoir engineer at hearing. However, Devon's geology and engineering witnesses have conflicts with the April 18th hearing date, and thus Devon requests that the cases be continued to the May 2nd hearing.
- 5. COG has informed Devon that it desires to retain the April 18th hearing date because it must commence a well in mid-June under a term assignment. The acreage in the term assignment is described in Exhibit A. However, attached hereto as Exhibit B is a plat which outlines the acreage in the term assignment, and highlights in green all the acreage in the term assignment on which COG can drill a well to extend the term assignment. There are numerous additional well locations which COG can still drill.
- 6. In addition, it is highly probable that the company which is unsuccessful before the Division will appeal *de novo* to the Commission. The Commission hearing could not be held until after mid-June, so an additional two week continuance will not cause any hardship to COG.
 - 7. Devon has consulted with counsel for COG, and COG opposes this motion.

WHEREFORE, Devon requests that Case Nos. 14951-14954 and 14975 be continued to the May 2nd Examiner hearing.

Respectfully submitted,

James Bruce

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(505) 982-2043

Attorney for Devon Energy Production Company, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this ______ day of April, 2013 by facsimile transmission and U.S. Mail:

J. Scott Hall Montgomery & Andrews, P.A. P.O. Box 2307 Santa Fe, New Mexico 87504 (505) 982-4289

James Bruce

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF TERM ASSIGNMENT OF OIL AND GAS LEASE DATED OCTOBER 6, 2008, BY AND BETWEEN MARATHON OIL COMPANY, AS ASSIGNOR, AND HAWKINS EXPLORATION, INC., AS ASSIGNEE

10/4/08 -> 10/6/10

LSE 004008 0001-

Oil and Gas Lease dated January 12, 1938, from Willie B. Trimble, Elizabeth Trimble, R. A. Shugart and Rena Shugart as Lessor, to The Ohio Oil Company, as Lessee, recorded in Book 35 at Page 57 of the Records of Lea County, New Mexico, INSOFAR AND ONLY INSOFAR as said lease covers the following lands and depths in Lea County, New Mexico:

> T-17-S, R-32-E, N.M.P.M., Section 11: W/2NE/4, SE/4

Limited to depths below the base of the Lovington Sand Formation.

LSE 004008 0002-

Oil and Gas Lease dated January 12, 1938, from R. T. Jones and Amalee Jones, as Lessor, to The Ohio Oil Company, as Lessee, recorded in Book 35 at Page 360 of the Records of Lea County, New Mexico, INSOFAR AND ONLY INSOFAR as said lease covers the following lands and depths in Lea County, New Mexico:

> T-17-S, R-32-E, N.M.P.M., Section 11: W/2E/2

Limited to depths below the base of the Lovington Sand Formation.

LSE 004008 0003- Oil and Gas Lease dated January 12, 1938, from W. L. Hahn and Eva Hahn, as Lessor, to The Ohio Oil Company, as Lessee, recorded in Book 35 at Page 368 of the Records of Lea County, New Mexico, INSOFAR AND ONLY INSOFAR as said lease covers the following lands and depths in Lea County, New Mexico:

> T-17-S, R-32-E, N.M.P.M., Section 11: W/2E/2

Limited to depths below the base of the Lovington Sand Formation.

LSE 004013 0001- Oil and Gas Lease dated February 5, 1938, from Andrew C. Taylor, Nettie Taylor, Zachary L. Taylor and Willie Taylor, as Lessor, to The Ohio Oil Company, as Lessee, recorded in Book 35 at Page 277 of the Records of Lea County, New Mexico, INSOFAR AND ONLY INSOFAR as said lease covers the following lands and depths in Lea County, New Mexico:

> T-17-S, R-32-E, N.M.P.M., Taylor D Notes on Section 4: SE/4SE/4,

Section 9: NE/4NE/4, S/2NE/4, N/2SE/4. Section 10: SW/4NW/4, NW/4SW/4,

Section 11: W/2, Section 14: NW/4, Kaluere Head Limited to depths below the base of the Lovington Sand Formation.

LSE 004013 0002-

Oil and Gas Lease dated February 5, 1938, from H. H. Baish and Ruth Baish, as Lessor, to The Ohio Oil Company, as Lessee, recorded in Book 35 at Page 374 of the Records of Lea County, New Mexico, INSOFAR AND ONLY INSOFAR as said lease covers the following lands and depths in Lea County, New Mexico:

> T-17-S, R-32-E, N.M.P.M., Section 9: S/2NE/4, N/2SE/4, Tay 1-1 >- 5 Section 11: NW/4

Limited to depths below the base of the Lovington Sand Formation.

LSE 004013 0003- Oil and Gas Lease dated February 5, 1938, from Frank E. Miller, as Lessor, to The Ohio Oil Company, as Lessee, recorded in Book 35 at Page 401 of the Records of Lea County, New Mexico, INSOFAR AND ONLY INSOFAR as said lease covers the following lands and depths in Lea County, New Mexico:

> T-17-S, R-32-E, N.M.P.M., Section 9: S/2NE/4, N/2SE/4, Taylor D'3 Section 11: NW/4,

Limited to depths below the base of the Lovington Sand Formation.

Term Assignment From Marathon Oil Company to Hawkins Exploration, Inc.

Hy 12/4/2011 #7 11012012

Taylor #2 9/10/2010 # 5 2/4/204

#3 415/201

#12 2/15/297

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