

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

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

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

Case No. 15129

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

Case No. 15130

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Devon Energy Production Company, L.P. ("Devon") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, Oklahoma 73102

Attention: Cari Allen
(405) 228-4397

APPLICANT'S ATTORNEY

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

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Case 15129: Devon seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2E/2 of Section 28 and the W/2ENE/4 of Section 33, Township 21 South, Range 32 East, NMPM. Applicant further seeks

the pooling of all mineral interests in the Bone Spring formation underlying the non-standard oil spacing and proration unit (project area). The unit is to be dedicated to the Bilbrey 33 Fed. Com. Well No. 3H, a horizontal well to be drilled at a surface location in the SW/4NE/4 of Section 33, with a terminus in the NW/4NE/4 of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case 15130: Devon seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2E/2 of Section 28 and the E/2ENE/4 of Section 33, Township 21 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard oil spacing and proration unit (project area). The unit is to be dedicated to the Bilbrey 33 Fed. Com. Well No. 4H, a horizontal well to be drilled at a surface location in the SE/4NE/4 of Section 33, with a terminus in the NE/4NE/4 of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Cari Allen
(landman)

20 min.

Approx. 12

Stephen Burns
(geologist)

20 min.

Approx. 6

OPPONENT

WITNESSES

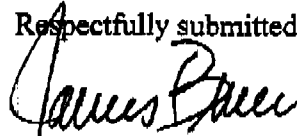
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Devon requests that these matters be consolidated for hearing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
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Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Devon Energy Production
Company, L.P.