

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

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

Case No. 20792

APPLICATION

Devon Energy Production Company, L.P., (“Devon”), OGRID No. 6137, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

Devon Energy Production Company, L.P.

ATTORNEY

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APPLICANT’S STATEMENT OF CASES

In Case No. 20792, Devon seeks an Order for (1) creating a standard horizontal spacing and proration unit comprised of Lots 1 – 4 and the E/2 W/2 of Section 6 and Lots 1 – 4 and the E/2 W/2 of Section 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico,

encompassing 644.08 acres, more or less, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (WC-025 G-09 S263504N; WOLFCAMP [98117]) underlying said unit. Devon proposes to dedicate the above-referenced spacing unit (“HSU”) to its **Billiken 7-6 Fed Com 6H Well**, proposed to be horizontally drilled from a surface location in SW/4 SW/4 (Lot 4) of Section 7, approximately 294’ FSL and 1,248’ FWL, to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 6, approximately 20’ FNL and 1000’ FWL. The **Billiken 7-6 Fed Com 6H Well** would be the Defining Well for the HSU.

Devon also proposes the following infill wells to be drilled in the HSU: **Billiken 7-6 Fed Com 5H Well**; **Billiken 7-6 Com 7H Well**; and **Billiken 7-6 Fed Com 8H Well**. The **Billiken 7-6 Fed Com 5H Well** is proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7, approximately 294’ FSL and 1,218’ FWL, to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 6, approximately 20’ FNL and 360’ FWL. The **Billiken 7-6 Fed Com 7H Well** is proposed to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 7, approximately 294’ FSL and 2,191’ FWL, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 6, approximately 20’ FNL and 1,640’ FWL. The **Billiken 7-6 Fed Com 8H Well** is proposed to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 7, approximately 294’ FSL and 2,221’ FWL, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 6, approximately 20’ FNL and 2280’ FWL.

The completed intervals and first and last take points for all wells proposed in the HSU meet the setback requirements set forth in the Division’s statewide rules and regulations for horizontal oil wells. To the extent necessary, Devon will incorporate proximity tracts, pursuant to 19.15.16.15(B)(1)(b) NMAC, into its HSU, such that the completed interval for the wells will adhere to requirements of the statewide rules. Also to be considered will be the costs of drilling

and completing said wells; the allocation of these costs and the actual operating costs and charges for supervision; designating Devon as operator of the wells; allowing an extension of the normal period to drill and complete the initial well; and a 200% charge for risk involved in drilling the wells.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Taylor Ford - Landman	Approx. 15	Approx. 7
Spencer Rolfs – Geologist	Approx. 15	Approx. 5

PROCEDURAL MATTERS

Devon has submitted a complete and viable application to the Division, and has accomplished all proper notice in accordance with the Division’s regulations. Counsel for Marathon Oil Permian LLC (“Marathon”) informed us on September 24, 2019 that Marathon is in the process of drafting a competing application, which it intends to file for hearing on the November 14, 2019 docket. Marathon has entered an appearance in this case with the expectation of continuing the hearing on Devon’s completed application to allow for Marathon’s application to be prepared, filed and heard in a contested hearing alongside Devon’s application. Devon opposes any continuation of the hearing on its application, and will request the Division to schedule an informal conference to address the issues as soon as possible prior to the currently scheduled hearing on October 3, 2019.

Respectfully submitted,

ABADIE & SCHILL, PC

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