

**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. 20794

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. 20794, Devon seeks an Order for (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the W/2 of Section 24, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (DIAMONDTAIL; WOLFCAMP [17645]) underlying said unit.

Devon proposes to dedicate the HSU to its **Sneaky Snake 24 Fed Com 3H Well**, proposed to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 24 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24. The **Sneaky Snake 24 Fed Com 3H Well** is the Defining Well for the HSU.

Devon also proposes the following infill wells to be drilled in the HSU: the **Sneaky Snake 24 Fed Com 1H Well**; the **Sneaky Snake 24 Fed Com 2H Well**; and the **Sneaky Snake 24 Fed Com 4H Well**. The **Sneaky Snake 24 Fed Com 1H Well** is proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 24, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. The **Sneaky Snake 24 Fed Com 2H Well** is proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 24 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 24. The **Sneaky Snake 24 Fed Com 4H Well** is proposed to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 24, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 24.

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. Pursuant to 19.15.16.15(B)(1)(b) NMAC, Devon will incorporate proximity tracts into its HSU, to the extent necessary, such that the completed interval for the wells will remain within the offset requirements of the Division's 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
Andy Bennett - Landman	Approx. 20	Approx. 6
Tom Peryam – Geologist	Approx. 20	Approx. 4

PROCEDURAL MATTERS

Devon requests that Cases 20793 and 20794 matters be consolidated for purposes of the October 17, 2019 hearing, as they concern the same land descriptions and interests, the difference being the target formation. COG Operating LLC (“COG”) has entered an appearance, and Devon and COG are in the process of finalizing a trade agreement. It is Devon’s understanding that COG will be filing a motion to continue these cases to the October 31, 2019 docket. Devon does not object to such a motion.

Respectfully submitted,

ABADIE & SCHILL, PC

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on October 10, 2019:

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