

**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. 20962

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

Darin C. Savage
Lara Katz
Abadie & Schill, PC
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
lara@abadieschill.com

APPLICANT’S STATEMENT OF CASES

In Case No. 20962, Devon seeks an Order for (1) creating a standard 640-acre, more or less, spacing and proration unit comprised of the W/2 of Sections 20 and 29, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral

interests in the Bone Spring formation (CRUZ; BONE SPRING [14865]: TRIPLE X; BONE SPRING [59900]) underlying said unit. Devon proposes to dedicate the HSU to its **Danger Noodle 29-20 Fed Com 2H Well**, an oil well, proposed to be horizontally drilled from a surface location in SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The **Danger Noodle 29-20 Fed Com 2H Well** is the Defining Well for the HSU.

Devon also proposes the following infill oil wells to be drilled in the HSU: the **Danger Noodle 29-20 Fed Com 1H Well** and the **Danger Noodle 29-20 Fed Com 3H Well**. The **Danger Noodle 29-20 Fed Com 1H Well** is proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The **Danger Noodle 29-20 Fed Com 3H Well** is proposed to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20.

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; downhole comingling; 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. 15	Approx. 6
John Green – Geologist	Approx. 15	Approx. 4

PROCEDURAL MATTERS

Devon requests that Cases 20962 and 20963 matters be consolidated for purposes of the December 12, 2019 hearing, as they concern the same land descriptions and interests, the difference being the target formations. Cimarex Energy Co. (“Cimarex”) has entered an appearance, and Devon and Cimarex are in the process of resolving their concerns via a letter agreement. At this point, Devon does not anticipate a protest, and under such circumstances, it plans to present the cases by affidavits.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage
Lara Katz
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
lara@abadieschill.com

Attorneys for Applicant

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 December 4, 2019:

Earl E. Debrine, Jr.
Lance D. Hough
Cimarex Energy Co.
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: (505) 848-1800
Email: edebrine@modrall.com
ldh@modrall.com

/s/ Darin C. Savage

Darin C. Savage