

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21126, 21127

EOG RESOURCES, INC.'S CONSOLIDATED PRE-HEARING STATEMENT

EOG Resources, Inc. ("EOG") submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production Company, LP

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504-2208
(505) 954-7297

OPPONENTS/OTHER PARTIES

EOG Resources, Inc.

ATTORNEY

Earl E. DeBrine, Jr.
Lance D. Hough
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

XTO Energy, Inc.

Dioscoro "Andy" Blanco
Hinkle Shanor LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
dblanco@hinklelawfirm.com

and

Jared Hembree
P.O. Box 10
Roswell, NM 88202
jhembree@hinklelawfirm.com

STATEMENT OF CASE

In **Case No. 21126** Devon seeks an order pooling all uncommitted interests in Wolfcamp (Purple Sage; Wolfcamp (Gas) Pool) formation underlying a 640-acre standard horizontal spacing unit comprised of the E/2 of Sections 2 and 11, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico dedicated for the following proposed wells:

- **Shetland 2-11 State Fed Corn 333H well** to be horizontally drilled from common surface hole locations in the NE/4 NE/4 (Unit A) of Section 2 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 11.
- **Shetland 2-11 State Fed Corn 61311 well**, and the **Shetland 2-11 State Fed Com 713H well**, both of which are to be horizontally drilled from common surface hole locations in the NE/4 NE/4 (Unit A) of Section 2 to bottom hole locations in the SW/4 SE/4 (Unit 0) of Section 11.

In **Case No. 21127**, Devon seeks an order pooling an order pooling all uncommitted interests in Wolfcamp (Purple Sage; Wolfcamp (Gas) Pool) formation underlying a 640-acre standard horizontal spacing unit comprised of the W/2 of Sections 2 and 11, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico, dedicated for the following proposed wells:

- **Shetland 11-2 Fed State Corn 611H well**, the **Shetland 11-2 Fed State Corn 71111 well**, and the **Shetland 11-2 Fed State Com 73111 well**, all of which are to be horizontally drilled from common surface hole locations in the SW/4 SW/4 (Unit M) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 2.
- **Shetland 11-2 Fed State Com 71211 well** and the **Shetland 11-2 Fed State Corn 732H well**, both of which are to be horizontally drilled from common surface hole locations in the SE/4 SW/4 (Unit N) of Section 11 to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 2.

EOG owns an interest in the lands Applicant seeks to dedicate to the proposed spacing units. EOG does not oppose the presentation of these cases by affidavit but requests that if the applications are granted that the Order of the Division include the following provision concerning

the payment of estimated well costs as pooled working interest owners allowing for sequential election to pay such costs before the drilling of each well:

Operator shall submit an itemized schedule of estimated costs to drill, complete and equip each well no sooner than 60 days before the anticipated date of commencement of the actual drilling of each well. No later than thirty (30) days after Operator submits the Final Statement of the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be- a "Non-Consenting Pooled Working Interest."

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.

Lance D. Hough

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

ldh@modrall.com

Attorneys for EOG Resources, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on February 27, 2020:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Holland & Hart LLP
P.O. Box 2208
Santa Fe, NM 87504-2208
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com
*Attorneys for Devon Energy Production
Company, L.P.*

Dioscoro "Andy" Blanco
Hinkle Shanor LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
dblanco@hinklelawfirm.com

Jared Hembree
P.O. Box 10
Roswell, NM 88202
jhembree@hinklelawfirm.com
Attorneys for XTO Energy, Inc.

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

Earl E. DeBrine, Jr.

W3698735.DOCX