

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP TO EXPAND A HORIZONTAL SPACING UNIT
AND COMPULSORY POOLING UNDER R-20574 AND R-20575,
EDDY COUNTY, NEW MEXICO**

**Case No. 21520
Order No. R-20574
Order No. R-20575**

DEVON ENERGY PRODUCITON COMPANY, L.P.'S PREHEARING STATEMENT

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. 21520, Devon seeks to expand a horizontal spacing and proration unit and include additional interest owners in a pooling under the terms of Order Nos. 20574 and 20575.

Division Order No. R-20574, approved May 29, 2019, for which the spud date was extended to May 31, 2021, for the Lone Tree Draw 14-13 State Com 332H and 331H Wells, by Division Letter dated April 15, 2020, created a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 13 and 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and designated Devon as the Operator for the N/2 N/2. Also, Division Order No. R-20575, approved May 29, 2019, for which the spud date was extended to May 31, 2021 for the Lone Tree Draw 14-13 State Com 333H Well, by Division Letter dated April 15, 2020, created a 320-acre, more or less, standard horizontal spacing unit comprising the S/2 N/2 of Sections 13 and 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, and designated Devon as the Operator for the S/2 N/2.

Devon seeks to amend Order Nos. R-20574 and 20575 in order to create an expanded 640-acre, more or less, horizontal spacing and proration unit comprised of the N/2 of Sections 13 and 14, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, encompassing the 331H, 332H, and 333H Wells, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (CARLSBAD; BONE SPRING, EAST [96144]) underlying said unit, which is the subject Bone Spring formation of Order Nos. R-20574 and 20575.

Devon proposes to dedicate the expanded HSU to its **Lone Tree Draw 14-13 State Com 332H Well**, an oil well, proposed to be horizontally drilled from a surface location in SW/4 NW/4 (Unit E) of Section 14 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 13. The **Lone Tree Draw 14-13 State Com 332H Well** is the Defining Well for the HSU, only for purposes of including the appropriate proximity tracts.

Devon proposes the **Lone Tree Draw 14-13 State Com 331H and 333H Wells** to be infill wells, also both deemed the initial wells, for the expanded HSU, as follows: the **Lone Tree Draw**

14-13 State Com 331H Well, an oil well, is to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 14 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 13, and the **Lone Tree Draw 14-13 State Com 333H Well**, an oil well, is to be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 14 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 13.

APPLICANT’S PROPOSED EVIDENCE

| WITNESS | ESTIMATED TIME | EXHIBITS |
|--------------------------|----------------|-----------|
| Landman: Andy D. Bennett | 15 min | Approx. 6 |
| Geologist: Joe Dixon | 15 min | Approx. 5 |

PROCEDURAL MATTERS

Devon requests that, for purposes of the hearings, this Case No. 21520 be consolidated with Case Nos. 21521 through 21522 as they involve units within the same two sections. No protests or objections have been filed and Devon does not anticipate any at this time; consequently, Devon plans to conduct the hearing by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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