

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21446,
EDDY COUNTY, NEW MEXICO**

**Case No. 21945
Order No. R-21446
(Re-open)**

**APPLICATION OF COLGATE OPERATING LLC
TO AMEND ORDER NO. R-21447,
EDDY COUNTY, NEW MEXICO**

**Case No. 21946
Order No. R-21447
(Re-open)**

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

Devon Energy Production Company, L.P., (“Devon”) submits this Prehearing Statement in the above- referenced cases and protests the application submitted by Colgate Operating, LLC (“Colgate”), pursuant to requirements of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

Colgate Operating, LLC

ATTORNEY

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OPPONENT

Devon Energy Production Compan, L.P.

ATTORNEY

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STATEMENT OF CASES

In underlying Case No. 21317, Colgate sought and received Order No. R-21446 for a standard spacing unit covering the S/2 NW/4 Section 18, Township 19 South, Range 29 East, and the S/2 S/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, and pooling all mineral interest underlying said unit. The Order approved the Atlas 18 State Fed Com 122H and 132H Wells for said unit, and the Order does not expire until September 9, 2021, providing Colgate, in Devon's view, with time to commence drilling under this Order.

In underlying Case No. 21318, Colgate sought and received Order No. R-21447 for a standard spacing unit covering the S/2 NW/4 Section 18, Township 19 South, Range 29 East, and the S/2 S/2 of Section 13, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico, and pooling all mineral interest underlying said unit. The Order approved the Atlas 18 State Fed Com 131H Well for said unit, and this Order does not expire until September 9, 2021, providing Colgate, in Devon's view, with time to commence drilling under this Order.

In Case Nos. 21945 and 21946, Colgate now seeks to amend its Order Nos. R-21446 and R-21447 to allow for a year's extension of time for commencement and drilling of the wells in

these units. Devon respectfully protests Colgate's applications for a time extension, submitting that there is not sufficient cause based on the reasons provided by Colgate, (1) the burdens of Covid, to which all operators have adjusted and which continue to improve, and (2) changing market conditions, which have improved since the submission of Colgate's original development plan.

OPPONENT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Andy D. Bennett	10 min	Approx. 2

APPLICANT'S PROPOSED EVIDENCE

PROCEDURAL MATTERS

During the current term of Order Nos. R-21846 and R-21947, Devon at Colgate's request made substantial payments in good-faith to Colgate for the development of the units in a timely manner under the existing Orders. Devon has a number of concerns stemming from Colgate's applications, and Devon is currently in negotiations with Colgate and has proposed an agreement to Colgate that would address Devon's concerns regarding Colgate's applications for a time extension. Thus, procedural matters may change depending on Colgate's response to Devon's proposal.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**Attorneys for Devon Energy Production
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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 May 27, 2021:

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