

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

7012 AUG 30 P 2:21

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,893

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,894

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,895

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

Case No. 14,896

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Devon Energy Production Company, L.P. ("Devon") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101

Attention: Jim Ball
(405) 552-3384

APPLICANT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

COG Operating LLC

OPPONENT'S ATTORNEY

Adam G. Rankin

STATEMENT OF THE CASEAPPLICANT

Case No. 14893: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Second Bone Spring Sand comprised of the E/2E/2 of Section 6, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Second Bone Spring Sand underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Roadrunner 6 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location in the SE/4SE/4, with a terminus in the NE/4NE/4, of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 14894: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the First Bone Spring Sand comprised of the E/2E/2 of Section 6, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the First Bone Spring Sand underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Roadrunner 6 Fed. Com. Well No. 2, a horizontal well to be drilled at a surface location in the SE/4SE/4, with a terminus in the NE/4NE/4, of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 14895: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Second Bone Spring Sand comprised of the W/2E/2 of Section 6, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Second Bone Spring Sand underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Roadrunner 6 Fed. Com. Well No. 3, a horizontal well to be drilled at a surface location in the SW/4SE/4, with a terminus in the NW/4NE/4, of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

Case No. 14896: Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the First Bone Spring Sand comprised of the W/2E/2 of Section 6,

Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the First Bone Spring Sand underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Roadrunner 6 Fed. Com. Well No. 4, a horizontal well to be drilled at a surface location in the SW/4SE/4, with a terminus in the NW/4NE/4, of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|---------------------------------------|------------------|-----------------|
| Jim Ball (landman) | 25 min. | Approx. 8 |
| Zach Poland (geologist) | 20 min. | Approx. 6 |
| Ryan Rickett (reservoir engineer) | 15 min. | Approx. 4 |
| James Allbee (completion engineer) | 10 min. | Approx. 2 |

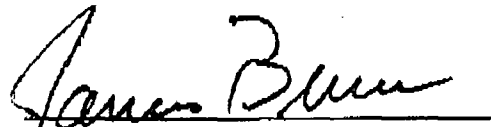
OPPONENT

| <u>WITNESSES</u> | <u>EST. TIME</u> | <u>EXHIBITS</u> |
|------------------|------------------|-----------------|
|------------------|------------------|-----------------|

PROCEDURAL MATTERS

1. Devon's cases should be consolidated with Case No. 14886, filed by COG Operating LLC ("COG"), which requests the pooling of the Second Bone Spring formation underlying the N/2N/2 of Section 6, Township 19 South, Range 32 East, N.M.P.M. Devon opposes COG's application. **This pleading constitutes the pre-hearing statement of Devon in that case.**
2. Devon has filed a motion for a continuance, to which COG Operating has not yet responded. Applicant requests that all five cases be continued to the October 4th hearing.

Respectfully submitted,




James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Devon Energy Production
Company, L.P.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following
counsel of record this 30th day of August, 2012 by facsimile transmission and U.S. Mail:

Adam G. Rankin
Holland & Hart LLP
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 983-6043


James Bruce