

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

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

APPLICATIONS OF XTO ENERGY INC. FOR A
NON-STANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

Case Nos. 15,832 – 15,843

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

XTO Energy Inc.

APPLICANT'S ATTORNEY

Michael Feldewert
Jordan L. Kessler

OPPONENT

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

OPPONENT'S ATTORNEY

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

Attention: Joe Hammond
(405) 552-8102

STATEMENT OF THE CASE

APPLICANT

In the above cases XTO Energy Inc. ("XTO") seeks approval of non-standard spacing and proration units, and compulsory pooling, for a number of horizontal Bone Spring and Wolfcamp wells in Sections 24, 25, and 36, Township 23 South, Range 29 East, N.M.P.M. The wells are 1-1/2 miles in length. These cases are currently scheduled for the October 12th hearing.

OPPONENT

Devon is a working interest owner in the E/2 of Sections 22, all of Section 23, and all of Section 24, Township 23 South, Range 29 East, N.M.P.M., and has plans to drill a number of east-west horizontal wells in the Bone Spring and Wolfcamp formations on its acreage. The E/2 of Sections 22, all of Section 23 cannot be developed by north-south horizontal wells due to potash restrictions. If XTO is permitted to drill its north-south horizontal wells as proposed, it will strand Devon's acreage in the E/2 of Section 22 and Section 23.

Devon has filed an application (Case No. 15,864) seeking an order canceling or suspending twenty four (24) applications for permit to drill issued to XTO for its wells located in Section 24 and the N/2 of Section 25. This is needed so that a development plan can be fixed for all of the subject acreage in this portion of the oil-potash area. If Devon's application is granted, it will also affect the drilling plans for XTO's wells in the S/2 of Section 25 and Section 36. This matter is scheduled for the October 26th hearing.

Devon requests that XTO's pooling applications be denied.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Joe Hammond
(landman)

25 min.

Approx. 6

Susan Estes
(geologist)

20 min.

Approx. 6

Jamison Hart
(drilling engineer)

25 min.

Approx. 4

Adela Porter
(reservoir engineer)

20 min.

Approx. 5

Dan McCarty
(completion engineer)

20 min.

Approx. 3

Joe Koessler
(production engineer)

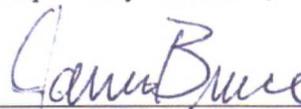
20 min.

Approx. 3

PROCEDURAL MATTERS

Devon requests that XTO's Case Nos. 15,832 – 15,843 be continued and consolidated for hearing with Devon's Case No. 15864.

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 1st day of October, 2017 by e-mail:

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Jordan L. Kessler
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James Bruce