

Davidson, Florene, EMNRD

From: Goetze, Phillip, EMNRD
Sent: Tuesday, October 10, 2017 1:56 PM
To: Jordan L. Kessler; jamesbruc@aol.com
Cc: Davidson, Florene, EMNRD; Michael Feldewert; Brooks, David K, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD
Subject: Cases No. 15832 through No. 15843

Ms. Jordan and Mr. Bruce:

The Remuda North and South wells cases, Cases No. 15832 through No. 15843, have been continued to the October 26th docket. Also, Division's legal counsel has hinted that due to the scope of the cases, their number, and the possible volume of testimony, that an off-docket hearing might provide a better venue. PRG

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From: Jordan L. Kessler [mailto:JLKessler@hollandhart.com]
Sent: Tuesday, October 10, 2017 1:03 PM
To: jamesbruc@aol.com
Cc: Goetze, Phillip, EMNRD <Phillip.Goetze@state.nm.us>; david.kbrooks@state.nm.us; Davidson, Florene, EMNRD <florene.davidson@state.nm.us>; Michael Feldewert <MFeldewert@hollandhart.com>
Subject: Re: Devon-XTO

Based on Devon's representation that it will work with BLM to obtain an alternative drilling island, XTO hereby withdraws its opposition to Devon's motion to continue to October 26.

Sent from my iPhone

On Oct 10, 2017, at 10:33 AM, "jamesbruc@aol.com" <jamesbruc@aol.com> wrote:

All: This email constitutes Devon's reply to XTO's response to Devon's motion for a continuance.

It is Devon's position that the applications for both XTO's North Remuda and South Remuda wells must be heard together with Devon's applications. The reasons are:

1. If Devon's application is granted, and eventually it prevails as to its proposed east-west development plan, then XTO will probably need to reconfigure its

development plan for the South Remuda wells to propose different length laterals and different surface locations.

2. If XTO is allowed to move forward with the South Remuda wells, then it will use that fact to assert that it's North Remuda applications must be granted or else the N/2 of Section 25 may be stranded.

XTO complains that Devon has not yet proposed its wells nor filed pooling applications. That is part and parcel of Devon's dilemma: Devon has spent the better part of a year working with the BLM (and the potash lessee through the BLM) to obtain a drilling island. The only one recently agreed upon is on the western edge of Section 19, into the east side of the disputed Section 24. Devon now has some approved stakings and will be proposing wells to XTO. It was necessary to get approved well locations so it could comply with the terms of Order R-13165 regarding well proposals.

In addition, Devon has continued to work with the BLM to obtain approval of other drill islands which would allow it to access its acreage in Sections 22 and 23 with north-south laterals via a drilling island in Sections 26 and 27. If Devon is successful, then that would obviate the need for these contested hearings.

One final matter: XTO states it must move forward due to rig scheduling. XTO has been aware for months that it was heading into a dispute with Devon. Thus, it should never have arranged its rig schedule to cover this acreage until the dispute was resolved. It's complaint should be ignored.

Jim