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

**APPLICATIONS OF DEVON ENERGY PRODUCTION
COMPANY, L.P., FOR NON-STANDARD OIL SPACING
AND PRORATION UNITS AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

CASE NOS. 16099-16104

PRE-HEARING STATEMENT

Applicant Devon Energy Production Company, L.P. provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Devon Energy Production Company, L.P.

APPLICANT'S ATTORNEYS

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OPPONENT

Pride Energy Company

OPPONENT'S ATTORNEYS

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STATEMENT OF THE CASE

Applicant Devon Energy Production Company, L.P. has filed applications as follows:

Case No. 16099: Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 232H well

Case No. 16100: Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 234H well.

Case No. 16101: Applicant seeks an order approving a non-standard oil spacing and proration unit in the 2nd Bone Spring formation (WC-025 G-07 S253206M; Bone Spring (Pool Code 96715)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the 2nd Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 236H well

Case No. 16102: Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool; (Pool Code 98270)), comprised of the W/2 W/2 of Section 16 and W/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral

interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 712H well.

Case No. 16103: Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool (Pool Code 98270)), comprised of the E/2 W/2 of Section 16 and E/2 W/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 21-16 State Fed Com 714H well.

Case No. 16104: Applicant seeks an order approving a non-standard oil spacing and proration unit in the Wolfcamp formation (WC-025 G-07 S253216D; Upper Wolfcamp Pool (Pool Code 98270)), comprised of the W/2 E/2 of Section 16 and W/2 E/2 of Section 21, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Marwari 28-16 State Fed Com 716H well.

Opponent Pride Energy Company has filed competing applications in the Wolfcamp and Bone Spring formations as follows:¹

Case No. 16169: Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its Paduca 16 State 501H well, non-standard 160 acre spacing and proration unit, and unorthodox

¹ Pride Energy has also filed Applications in the Delaware (Paduca Delaware pool), Case Nos. 16166-16168. Devon does not own any interest in the Delaware within the subject acreage and therefore does not oppose these applications.

location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Case No. 16170: Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its Paduca 16 State 502H well, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Case No. 16171: Applicant seeks an order pooling all mineral interests within the Bone Spring formation (Pool Code WC-205 G-05 S-253209L; Bone Spring 96715), dedicated to its Paduca 16 State 503H well, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Case No. 16172: Applicant seeks an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its Paduca 16 State 701H well, non-standard 160 acre spacing and proration unit, unorthodox location, underlying the W/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Case No. 16173: Applicant seeks an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its Paduca 16 State 702H well, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the W/2 E/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

Case No. 16174: Applicant proposes an order pooling all mineral interests within the vertical limits of the Wolfcamp formation (Pool Code 98270), dedicated to its Paduca 16 State

703H well, non-standard 160 acre spacing and proration unit, and unorthodox location, underlying the E/2 W/2 of Section 16, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico.

PROPOSED EVIDENCE

<u>APPLICANT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Tim Prout, Land	20 min.	6
Kirk Malinowsky, Geologist	20 min.	4
Anoop Sharma, Engineer	10 min.	4

OPPONENT'S WITNESSES

Unknown.

PROCEDURAL MATTERS

Devon Energy Production Company, L.P. requests that these matters be consolidated with Devon's applications in Case Nos. 16099-16104 and continued to a special hearing date, as previously discussed with the Examiners, of June 12, 2018.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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