

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR A STANDARD HORIZONTAL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 20085

PRE-HEARING STATEMENT

Devon Energy Production Company, LP ("Devon") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

Devon Energy Production Company, LP

APPLICANT'S ATTORNEYS

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STATEMENT OF THE CASE

Devon seeks an order from the New Mexico Oil Conservation Division (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Sections 21 and 28, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in the Third Bone Spring Sand, Bone Spring formation (BERRY;BONE SPRING, SOUTH [96660]) underlying the HSU. Said horizontal spacing unit is to be assigned to the proposed initial **Chiles 28-21 State Com 1H well**, to be horizontally drilled from an approximate surface location 2310' FEL and 330' FSL of Section 28 to a bottom hole location 380' FEL and 20' FNL of Section 21. This well defines the HSU. The completed intervals and first and last take points for the Chiles 28-21 State Com 1H well are within

the setbacks required by state-wide pool rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 14 miles west of Eunice, New Mexico.

PROPOSED EVIDENCE

<u>OPPONENT'S WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Katie Dean, Land	20 min.	4
Kenton Shaw, Geologist	20 min	6

PROCEDURAL MATTERS

If this Application is unopposed, Devon will present its testimony and exhibits by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

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