

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

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

CASE NO. 12989

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR AN UNORTHODOX INFILL
WELL LOCATION, EDDY COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

OPPOSITION

Yates Petroleum Corporation
Attention: Robert Bullock
105 South Fourth Street
Artesia, New Mexico 88210-2118
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ATTORNEY

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STATEMENT OF CASE

OPPOSITION

Yates Petroleum Corporation opposes and will request the denial of Devon's application for an exception to Rule 2 (b) of the "*Special Rules and Regulations for the Indian Basin-Upper Pennsylvania Associated Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order Nos. R-9922, R-9922-A, R-9922-B, R-9922-C, R-9922-D, and R-9922-E and the "*General Rules and Regulations for the Associated Oil and Gas Pools of Northwest New Mexico and Southeast New Mexico*," as promulgated by Division Order No. R-5353, as amended, for an unorthodox location with an existing 320-acre lay-down spacing and proration unit in the Indian Basin-Upper Pennsylvanian Associated Pool (33685) comprising the S/2 of Section 8, Township 22

South, Range 24 East, which is located approximately 17 miles west of Carlsbad, New Mexico. The applicant's proposed Old Ranch Knoll "8" Federal Com. Well No. 9 is to be drilled 810 feet from the South line and 350 feet from the East line (Unit P) of Section 8. This unit is currently dedicated to Devon Energy Production Company, L.P.'s Old Ranch Knoll "8" Federal Com. Well No. 2 (API No. 30-015-27674), located at a standard location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 8.

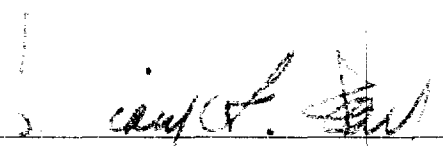
PROPOSED EVIDENCE

OPPOSITION

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
David Boneau (Petroleum Engineer)	Approx. 20 Minutes	8

PROCEDURAL MATTERS

Yates Petroleum Corporation has none at this time.



William F. Carr
Attorneys for Yates Petroleum
Corporation