

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 NOS: 20994, 20995, 20996

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JANUARY 09, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, January 09, 2020, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

1 For the Applicant:

2 ADAM RANKIN
3 HOLLAND & HART
4 110 North Guadalupe, Suite 1
5 Santa Fe, NM 87501
6 505-954-7286

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8 I N D E X

9 CASE NO. 20994, 20995, 20996 CALLED

10 SUMMARY OF CASES AND EXHIBITS 03

11 TAKEN UNDER ADVISEMENT 06

12 REPORTER CERTIFICATE 07

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14 E X H I B I T I N D E X

15 Admitted

16 Exhibits A, B and C, All Attachments 06

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1 HEARING EXAMINER COSS: Okay. Wonderful.
2 Continuing right along, we will call Cases or Case Number
3 20994, Devon Energy for compulsory pooling. Call for
4 appearances.

5 MR. RANKIN: Mr. Examiner, may it please the
6 Division. Adam Rankin on behalf of the applicant, Devon
7 Energy, appearing through the law firm of Holland & Hart.
8 Ask that this case be consolidated with Case Number 20995
9 and Case Number 20996. I'll be presenting all three by
10 affidavit.

11 HEARING EXAMINER COSS: Wonderful. Thank you,
12 Mr. Rankin. And in order to hear these by affidavit, I'm
13 going to run through our standard -- becoming standard
14 questions here.

15 So was notice of publication required for
16 unlocatable persons?

17 MR. RANKIN: It was provided out of abundance of
18 caution.

19 HEARING EXAMINER COSS: And it was published
20 timely?

21 MR. RANKIN: It was timely.

22 HEARING EXAMINER COSS: And the applicant --
23 there is an affidavit of publication?

24 MR. RANKIN: There is an affidavit of publication
25 included in the exhibit packet I have placed before you.

1 HEARING EXAMINER COSS: And this exhibit packet
2 contains our checklist -- the checklist?

3 MR. RANKIN: It does, Mr. Examiner. If you turn
4 to the first page behind the cover page and there is a table
5 of contents identifying there are three separate compulsory
6 pooling checklists for each of the cases behind Tabs 1, 2
7 and 3.

8 HEARING EXAMINER COSS: Wonderful. Thank you,
9 Mr. Rankin. The Division will hear this case by affidavit.

10 MR. RANKIN: Thank you very much, Mr. Examiner.

11 Before you in the exhibit packet after you walk
12 through the application checklist, you will see contained in
13 the exhibit packet are Exhibits A, B, C.

14 Exhibit A is the affidavit of -- sorry --
15 Devon's landman, Ms. Dean, who previously testified before
16 the Division, and her credentials as an expert in petroleum
17 land matters were accepted as a matter of record.

18 Attached to her affidavit are the C-102s for each
19 of the wells proposed, each of the wells for these three
20 cases, along with the land ownership tract breakdown for
21 each of the spacing units proposed for all three cases, as
22 well as AFEs and well proposals reflecting the costs
23 estimated for drilling of these wells, and as well as the
24 well chronology, the communication correspondence chronology
25 with uncommitted interest owners.

1 Exhibit B is the geologist affidavit containing
2 the analysis of Devon's geology expert who previously
3 testified before the Division, along with the exhibits
4 reflecting his analysis.

5 Exhibit C is a copy of the affidavit prepared by
6 my office reflecting that we had provided notice to the
7 parties of the application and of the pooling hearing today,
8 followed by the certified mailing that was sent out to each
9 of the interest owners and the notice of publication as
10 well.

11 In this case Devon is seeking to pool 320 acres
12 in each of these cases, and if it's okay with the Examiner,
13 I will not identify the exhibit specifically, but it's in
14 the packet.

15 With that I would ask that the Division accept
16 into the record Exhibits A, B and C in each of the cases and
17 that these cases be taken under advisement by the Division.

18 HEARING EXAMINER COSS: Wonderful. Thanks. And
19 the only question I'm -- just for clarification again, each
20 one of these is a kind of a different landing zone?

21 MR. RANKIN: I believe these are all the Bone
22 Spring. I believe that they all are -- I think that they
23 are really actually kind of in the same landing zone, it's
24 just that that they are across the full two sections, so
25 they're Bone Spring spacing units, but they are across the

1 same landing zone, just across two sections.

2 HEARING EXAMINER COSS: Perfect. Thanks for that
3 clarification. And with that Exhibits A, B, C will be
4 admitted into the record for Case Numbers 20994, 20995 and
5 20996. This will all be taken under advisement.

6 (Exhibits A, B and C admitted.)

7 (Cases 20994, 20995, 20996 taken under
8 advisement.)

9 MR. RANKIN: Thank you, Mr. Examiner.

10 (Adjourned.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of
13 the proceedings truly and accurately reflects the exhibits,
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by
16 nor related to any of the parties or attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 9th day of January 2020.

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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