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. 13,335

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

October 7th, 2004

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Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, October 7th, 2004, at the New Mexico Energy, Minerals and Natural Resources

Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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INDEX

October 7th, 2004 Examiner Hearing CASE NO. 13,335

PAGE

REPORTER'S CERTIFICATE

6

EXHIBIT

Applicant's

Identified Admitted

Exhibit A

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* * *

APPEARANCES

FOR THE APPLICANT:

JAMES G. BRUCE Attorney at Law P.O. Box 1056 Santa Fe, New Mexico 87504

FOR MARBOB ENERGY CORPORATION:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR 110 N. Guadalupe, Suite 1 P.O. Box 2208 Santa Fe, New Mexico 87504-2208 By: WILLIAM F. CARR

WHEREUPON, the following proceedings were had at 1 2 10:00 a.m.: 3 4 EXAMINER CATANACH: And at this time I will call 5 Case 13,335, the Application of Devon Energy Production 6 Company, L.P., for compulsory pooling, Eddy County, New 7 Mexico. 8 Call for appearances in this case. 9 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe, 10 representing the Applicant. I have just have a short 11 12 statement. EXAMINER CATANACH: Any additional appearances? 13 14 MR. CARR: May it please the Examiner, William F. 15 Carr with Holland and Hart, L.L.P., Santa Fe. We have appeared in the case for Marbob Energy 16 Corporation. 17 EXAMINER CATANACH: 18 Okay. 19 MR. BRUCE: Mr. Examiner, This case was heard 20 before Mr. Ezeanyim a couple weeks ago. There was a couple 21 of minor items. 2.2 First of all, the notice published in the 23 newspaper had an error in it, so notice has been -- the case was continued and notice was republished, and I'm 24 25 submitting that affidavit of publication as Exhibit A and

I'd ask that that be taken part of the record. 1 Also since that time, Mr. Carr, on behalf of 2 Marbob Energy Corporation and Pitch Energy Corporation, 3 objected to the Application. 4 Since that time Mr. Carr has informed me, and my 5 client has informed me, that Devon Energy and Marbob and 6 Pitch have come to terms, and therefore we would request 7 that Marbob and Pitch be dismissed from the pooling 8 9 Application. There may be other companies that subsequently 10 11 come to terms with Devon. We would ask that the matter be taken under 12 advisement, and then if other companies do reach agreement 13 with Devon Energy we will notify the Division so that they 14 15 are not subject to the pooling order. EXAMINER CATANACH: Anything, Mr. Carr? 16 17 MR. CARR: No, Mr. Catanach. We have reached an 18 agreement with Devon. 19 EXAMINER CATANACH: Okay, Mr. Bruce, there are 20 still some parties that need to be pooled by that order? 21 MR. BRUCE: Yes, totaling -- Well, there's one 22 larger interest owner who we anticipate joining, Magnum-23 Hunter Production, and then the rest of the interest owners constitute maybe a percent of the well or less. 24

Okay.

All right, anything

EXAMINER CATANACH:

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further?
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                 MR. BRUCE: No, sir.
                 EXAMINER CATANACH: Okay, there being nothing
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      further, Case Number 13,335 will be taken under advisement.
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                  (Thereupon, these proceedings were concluded at
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 6
      10:03 a.m.)
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                                    I do hereby certify that the foregoing ,
11
                                    a complete record of the proceedings in
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                                    eard by me on Party Case No. 133
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                                     Oil Conservation Division
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL October 9th, 2004.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006