

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:

APPLICATION OF DEVON ENERGY PRODUCTION CASE NOS. 16346,  
COMPANY, L.P. FOR COMPULSORY POOLING, 16349  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

October 4, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
PHILLIP GOETZE, TECHNICAL EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Phillip Goetze, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, October 4, 2018, 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: Mary C. Hankins, CCR, RPR  
New Mexico CCR #20  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
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(505) 843-9241

## APPEARANCES

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FOR INTERESTED PARTY MRC PERMIAN:

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## INDEX

## PAGE

Case Numbers 16346 and 16349 Called	3
Exhibits Offered	3
Proceedings Conclude	6
Certificate of Court Reporter	7

## EXHIBITS OFFERED AND ADMITTED

Case Number 16346:	
Devon Energy Production Company, LP Exhibit Numbers 8 and 9	5
Case Number 16349:	
Devon Energy Production Company, LP Exhibit Numbers 7 and 8	5

1 (8:36 a.m.)

2 McMILLAN EXAMINER: With that in mind, I'd  
3 like to call the next case, Case Number 16436 --

4 MS. CALLAHAN: Two Devon cases, 346 and  
5 349.

6 EXAMINER McMILLAN: You said they're being  
7 continued.

8 MS. CALLAHAN: I misspoke then. I was  
9 referring to the Novo cases, 16344 and 345 and 16231.  
10 And then 16284, which I didn't let you know about, but  
11 that is also continued to November 1st.

12 16344, on page 7; 16345 on page 8; 16231 on  
13 page 9; and item number 31, 16284, all of those are  
14 continued to November 1st.

15 EXAMINER McMILLAN: Okay. Then we're  
16 calling -- then let's call 16 --

17 MS. CALLAHAN: 346 and 16349.

18 EXAMINER McMILLAN: Okay. I'd like to call  
19 Case Number 16346, application of Devon Energy  
20 Production Company, L.P. for compulsory pooling, Eddy  
21 County, New Mexico. And I'd like to call Case Number  
22 16349, application of Devon Energy Production Company,  
23 L.P. for compulsory pooling, Eddy County, New Mexico.

24 Call for appearances.

25 MS. CALLAHAN: Candace Callahan,

1 Mr. Examiner, appearing for Devon.

2 EXAMINER McMILLAN: Any other appearances?

3 MS. KESSLER: Jordan Kessler, with the  
4 Santa Fe office of Holland & Hart, appearing on behalf  
5 of MRC Permian.

6 EXAMINER McMILLAN: Please proceed.

7 MS. CALLAHAN: Thank you.

8 I've just handed you supplemental  
9 affidavits of notice for both cases. In Case 16346,  
10 I've handed you Exhibits 8 and 9. Exhibit 8 is an  
11 affidavit from my office reflecting notices that were  
12 provided to all the overriding royalty interest owners  
13 in this case, and Exhibit 9 is just a summary of the  
14 names of the persons notified initially in the second  
15 round of notices. There were a few unlocatable owners.  
16 And on Exhibit B of Exhibit 8, you'll see a Notice of  
17 Publication. It's at the very end.

18 And then for Case Number 16349, I've handed  
19 you Exhibits 7 and 8, and it's the same thing as what  
20 I've done in 16346. It's supplemental Affidavit of  
21 Notice reflecting notice to all the overriding royalty  
22 interest owners in this case. And then, again, Exhibit  
23 8 in 16349 reflects there were a few unlocatable owners,  
24 and so you'll also see an Affidavit of Publication as  
25 Exhibit B to Exhibit 7 in that case, with a summary of

1 the notices that were provided before and then the  
2 notices provided of the overrides.

3 And that's it.

4 EXAMINER McMILLAN: Okay. So in Case  
5 16346, you want Exhibits 8 and 9 accepted as part of the  
6 record, correct?

7 MS. CALLAHAN: Yes, please.

8 MS. KESSLER: No objection.

9 EXAMINER McMILLAN: And in Case 16349, you  
10 want Exhibits 7 and 8 accepted as part of the record?

11 MS. CALLAHAN: Correct.

12 MS. KESSLER: No objection.

13 EXAMINER McMILLAN: Thank you.

14 (Devon Energy Production Company, LP  
15 Exhibit Numbers 8 and 9 in Case Number  
16 16346 and Exhibit Numbers 7 and 8 in Case  
17 Number 16349 are offered and admitted into  
18 evidence.)

19 MS. CALLAHAN: Thank you.

20 EXAMINER McMILLAN: And you want this case  
21 taken under advisement?

22 MS. CALLAHAN: Oh. Yes, please.

23 EXAMINER McMILLAN: Cases 16346 and 349 may  
24 now be accepted as part of the record.

25 Thank you.

1 (Case Numbers 16346 and 16349 conclude,  
2 8:43 a.m.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court  
6 Reporter, New Mexico Certified Court Reporter No. 20,  
7 and Registered Professional Reporter, do hereby certify  
8 that I reported the foregoing proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings that  
11 were reduced to printed form by me to the best of my  
12 ability.

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

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

20 DATED THIS 25th day of October 2018.

21

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23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2018  
Paul Baca Professional Court Reporters

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