

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: 20508-20512, 20514

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

May 28, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, KATHLEEN MURPHY, DYLAN COSS, SCOTT COX and BAYLEN LAMKIN on Thursday, May 28, 2020, through 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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1 A P P E A R A N C E S

2 For the Applicant:

3 SHARON SHAHEEN
4 MONTGOMERY & ANDREWS
5 325 Paseo de Peralta
6 Santa Fe, NM 87501

7 For EOG:

8 MICHAEL FELDEWERT
9 HOLLAND & HART
10 110 North Guadalupe, Suite 1
11 Santa Fe, NM 87501
12 505-954-7286

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15 I N D E X

16 CASE CALLED

17 SUMMARY OF CASE AND EXHIBITS 03

18 TAKEN UNDER ADVISEMENT 06

19 REPORTER CERTIFICATE 07

20

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

22 Admitted

23 All Exhibits and Attachments 06

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1 HEARING EXAMINER ORTH: Moving then to Matters 13
2 through 18 here of the worksheet. These are cases 20508
3 20509, 20510, 20511, 20512, 20514. Devon Energy is the
4 applicant in each case, compulsory pooling application in
5 each case. Well name Fully Loaded in each case.

6 Ms. Shaheen, is that you from Montgomery &
7 Andrews?

8 MS. SHAHEEN: Yes, it is. Good morning, Madam
9 Examiner.

10 HEARING EXAMINER ORTH: Good morning. And then I
11 have others entering on behalf of EOGM and EOGY. Is that
12 you, Mr. Feldewert from Holland & Hart?

13 MR. FELDEWERT: Yes, Madam Examiner. Michael
14 Feldewert from the Santa Fe office of Holland & Hart for
15 both the EOG entities.

16 HEARING EXAMINER ORTH: Thank you. I will pause
17 a moment to see if there are any other entries of
18 appearance?

19 (No audible response.)

20 HEARING EXAMINER ORTH: No? Mr. Feldewert, do
21 you object to the presentation of this -- these cases by
22 affidavit?

23 MR. FELDEWERT: No, we do not. I know the --
24 Ms. Shaheen and I didn't get a chance to check in this
25 morning. I don't know whether the EOG entities are still

1 being pooled or not, but I think we will find out shortly.

2 HEARING EXAMINER ORTH: All right. Please
3 proceed, Ms. Shaheen.

4 MS. SHAHEEN: Thank you. I do understand that
5 EOG and Devon closed their trade on Tuesday, I believe. So
6 Devon is not force pooling EOG at this time. The only two
7 parties being pooled are the LR Company and Chevron.

8 So I will just briefly talk about these cases.
9 It's a total of eight wells in six different cases, 8 and 9
10 of Bone Spring wells that round off to one and a half mile
11 laterals, Township 24 South, Range 29 East. And in Cases 8
12 and 9, the Bone Spring wells run south to north in the NW/4
13 of Section 12 into the west, W/2 of Section 1.

14 In Case Number 10, then this is a Wolfcamp well
15 that also runs south to north in that same area of Sections
16 12 and 1.

17 In Case Numbers 11, 12 and 14, we have a mirror,
18 if you will, of the 8, 9 and 10 wells. 11 and 12 are Bone
19 Spring wells that run north to south from the SW/4 of
20 Section 12 into the W/2 of Section 13.

21 And then Case Number 14 is the Wolfcamp in the
22 same acreage.

23 We have your usual exhibits. If you take a look
24 at the table of contents, we have a check list under Tab 1.
25 Application is under Tab 2. Exhibit A is the affidavit of

1 the landman who previously testified before the Division and
2 there is Exhibits A-1 through A-5 there.

3 Exhibit 5 is the affidavit of the geologist who
4 has also testified before the Division, and we have B-1
5 through B-9.

6 There is a lot of exhibits because it's six
7 different applications.

8 Finally, Exhibit C is my affidavit of notice.
9 All the green cards were returned signed, but in an
10 abundance of caution, we filed in the newspaper.

11 Anticipating Ms. Murphy's questions, Devon owns a
12 75 percent of the working interest in the 12-1 acreage, and
13 100 percent of the acreage in the 12-13 wells.

14 And with that, I would ask that the exhibit
15 package be admitted into the record and that these cases be
16 taken under advisement.

17 HEARING EXAMINER ORTH: Thank you, Ms. Shaheen.
18 Mr. Feldewert, do you have any questions at this point?

19 MR. FELDEWERT: I do not, thank you.

20 HEARING EXAMINER ORTH: Thank you. Ms. Murphy,
21 do you have questions of Ms. Shaheen?

22 EXAMINER MURPHY: Good morning, Ms. Shaheen.

23 MS. SHAHEEN: Good morning.

24 EXAMINER MURPHY: And I do have a question and
25 along the lines what you just talked about. So you're only

1 looking to force pool the Allars and Chevron?

2 MS. SHAHEEN: That's right.

3 EXAMINER MURPHY: So in that table that EOG you
4 just made a trade with. Okay.

5 MS. SHAHEEN: That's right. It's a little
6 confusing because when I put together the exhibit packet, we
7 didn't know when the trade was going to close, so I provided
8 ownership interest with respect to pre-trade and post-trade,
9 and the post-trade are the ownership interests that are
10 pertinent at this point.

11 EXAMINER MURPHY: And Devon has 75 to 100
12 percent, okay. Thank you. I have no more questions.

13 MS. SHAHEEN: Thank you.

14 HEARING EXAMINER ORTH: Thank you, Ms. Murphy.
15 Let me pause a moment in the event any other technical
16 hearing examiner on the line has a question.

17 TECHNICAL EXAMINER: Not at this time, ma'am.

18 HEARING EXAMINER ORTH: Thank you. Thank you
19 very much, Ms. Shaheen. The exhibit package will be
20 accepted and the matter will be taken under advisement.

21 MS. SHAHEEN: Thank you.

22 HEARING EXAMINER ORTH: Thank you.

23 (Exhibits admitted.)

24 (Taken under advisement.)

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STATE OF NEW MEXICO
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

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

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

I FURTHER CERTIFY that the virtual proceeding was
of varying quality.

Dated this 28th day of May 2020.

/s/ Irene Delgado

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