

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:

Applicaton by Devon Energy
Production Company for a
Horizontal Spacing and
Proration Unit, and Compulsory
Pooling, Lea County,
New Mexico

Case Nos. 21396, 21397,
21398, 21399

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS.

EXAMINER HEARING

THURSDAY, OCTOBER 22, 2020

This matter came on for hearing before the
New Mexico Oil Conservation Division, FELICIA ORTH,
Hearing Examiner, LEONARD LOWE, Technical Examiner,
via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102.
(505) 843-9241

For Devon Energy:

Darin C. Savage, Esq.
Abadie & Schill
214 Mackenzie Street
Santa Fe, NM 87501
(970) 385-4401
darin@abadieschill.com.

CASES 21396, 21397, 21398, 21399	PAGE
Cases called:	3
Taken under advisement:	8

ANDY BENNETT (Landman)

TOM PERYAM (Geologist)

EXHIBIT	ADMITTED
CASE 21396	
A	8
B	8
C	8
CASE 21397	
A	8
B	8
C	8
CASE 21389	
A	8
B	8
C	8
CASE 21399	
A	8
B	8
C	8

1 (Time noted 8:45 a.m.)

2 HEARING EXAMINER Orth: Let's move, then, to the
3 next matters which are affidavit matters, 21396, 21397,
4 21398, and 21398. Devon Energy is the Applicant for
5 compulsory pooling. The name of the well is Red Bull.

6 Mr. Savage, is that you from Abadie &
7 Schill?

8 MR. SAVAGE: Yes, Madam Examiner. Darin Savage
9 with Abadie & Schill's Santa Fe office appearing on behalf
10 of Devon Energy Production Company, LLP.

11 HEARING EXAMINER ORTH: Thank you. Let me
12 pause for a moment to see if there are any other
13 appearances. I didn't see any in the file. No.

14 We have your Prehearing Statement. If you
15 would please go ahead.

16 MR. SAVAGE: Yes. We are representing in
17 consolidated form Cases 21396, 21397, 21398 and 21399.
18 These cases cover Sections 30 and 31, Township 23 South,
19 Range 35 East, Lea County, New Mexico, and they all
20 propose to pool all uncommitted interests in the Bone
21 Spring Formation, specifically Antelope Ridge Bone Spring
22 with Pool Code 2200

23 The landman Andy D. Bennett and geologist
24 Tom Peryam for these cases have both testified before the
25 Division and their credentials have been accepted and made

1 a matter of record.

2 In case 21396 Devon seeks an Order for
3 creating a standard 320-acre spacing unit comprised of he
4 east half/east half of said sections and pooling all
5 uncommitted interests in the Bone Spring Formation.

6 The unit will be dedicated to the Red Bull
7 30-31 Fed. State Com 4H well. Orientation of the well
8 well is stand-up, north to south, and all setback
9 requirements under statewide rules are met.

10 Mr. Bennett's exhibit for Case 21396
11 includes his landman affidavit, the C-102s, the ownership
12 breakdown, The well Proposal Letter with than AFE, and a
13 chronology of contacts showing good faith negotiations.

14 Mr. Peryam's Exhibit B for this case
15 includes his geology affidavit, along with the standard
16 geology exhibits.

17 Exhibit C provides the Affidavit of Notice
18 for mailings and Publication Notice. Notice was timely
19 sent and published.

20 Mr. Bennett and Mr. Peryam affirm that the
21 approval of this application is in the best interest of
22 conservation, protection of correlative rights and
23 prevention of waste, and will prevent the drilling of
24 unnecessary wells.

25 In Case 21397 Devon seeks an Order creating

1 a standard 320-acre spacing unit comprised of the east
2 half/west half of said sections and pooling all
3 uncommitted interests in the Bone Spring Formation.

4 This unit will be dedicated to the Red Bull
5 30-31 Fed. State Com 2H well. Orientation of the well is
6 stand up north to south, and all setback requirements
7 under statewide rules are met.

8 Mr. Bennett's Exhibit A for 21397 includes
9 his landman affidavit, the C-102s, and ownership
10 breakdown, the Well Proposal Letter with AFE, and a
11 Chronology of Contacts showing good faith negotiations.

12 Mr. Peryam's Exhibit B for this case
13 includes his geology affidavit along with the standard
14 geology exhibits.

15 Exhibit C provides the Affidavit of Notice
16 for Mailings and Publication Notice. Notice was timely
17 sent and published.

18 Mr. Bennet and Mr. Peryam affirm the
19 approval of this application is in the best interest of
20 conservation, protection ofcorrelative rights and
21 prevention of waste will prevent the drilling of
22 unnecessary wells.

23 Next in case 21398, Devon seeks an Order
24 creating a standard 320-acre spacing unit comprised of the
25 west half/east half of said sections, and pooling all

1 uncommitted interests in the Bone Spring Formation. This
2 unit will be dedicated to the Red Bull 30-31 Fed State Com
3 3H well. Orientation of the well is stand-up north to
4 south, like the others, and all setback requirements under
5 the statewide rules are met.

6 Mr. Bennett's Exhibit A for Case 21398
7 again includes his affidavit, the C-102s, the ownership
8 breakdown, the well Proposal Letter with AFE and a
9 Chronology of Contacts showing good faith negotiations;
10 and likewise Mr. Perryman's Exhibit B for this case
11 includes his geology affidavit along with the standard
12 geology exhibits.

13 Exhibit C provides the Affidavit Of Notice
14 for mailings and publication, and Notice was timely sent
15 and published.

16 Again Mr. Bennett and Mr. Peryam affirm
17 that the approval of this application is in the best
18 interests of conservation, protection of correlative
19 rights, and the prevention or waste, and will prevent the
20 drilling of unnecessary wells.

21 Then lastly, Case 21399, it's very similar
22 to the others. It seeks an Order creating a standard
23 316.4-acre, more or less, spacing unit comprised of the
24 west half/west half of said sections and pooling all
25 uncommitted interests in the Bone Spring Formation.

1 The west half/west half contains correction
2 lots in each section, Lots 1 through 4.

3 The unit will be dedicated to the Red Bull
4 30-31 Fed State Com 3H well. Again orientation of this
5 well is stand-up north to south, and all setback
6 requirements under statewide rules are met.

7 Mr. Bennett's exhibits, similarly to the
8 other cases, includes his landman affidavit, the C-102s
9 and ownership breakdown, the Well Proposal Letter with
10 AFEs and the Chronology of Contact showing good
11 faith-negotiations.

12 Mr. Peryam's Exhibit B includes his geology
13 affidavit along with standard geology exhibits.

14 Exhibit C provides the Affidavit of Notice
15 and Publication. Again Notice was timely sent and
16 published.

17 Both Mr. Bennett and Mr. Peryam affirmed
18 that the approval of this application is in the Best
19 interests of conservation, protection of correlative
20 rights, and the prevention of waste, and will prevent the
21 drilling of unnecessary wells.

22 At this time I ask that Exhibits A, B and C
23 and all sub exhibits included, be accepted into the record
24 for Cases 21396, 21397, 21398, and 21399, and that these
25 cases be taken under advisement.

1 I'm available for any questions regarding
2 these cases. Thank you.

3 HEARING EXAMINER ORTH: Thank you, Mr. Savage.

4 Mr. Lowe, do you have any questions around
5 these four matters?

6 MR. LOWE: I have one question.

7 Were all parties that were involved in
8 here, all locatable?

9 MR. SAVAGE: Yes, they're all locatable, and the
10 mailing report shows that the mailings were successful.

11 MR. LOWE: Okay. That's all I have for now.
12 Thank you.

13 MR. SAVAGE: Okay. Thank you, Mr. Lowe.

14 HEARING EXAMINER ORTH: Thank you Mr. Lowe and
15 Mr. Savage.

16 Your exhibits are accepted and these four
17 matters are taken under advisement.

18 (Time noted 8:50 a.m.)
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25

1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)
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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, October
8 22, 2020, the proceedings in the above-captioned matter
9 were taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and Correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18 /s/ Mary MacFarlane
19

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
22 License Expires: 12/31/2020
23
24
25