

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. 14748

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, LP, TO EXPAND THE COTTON DRAW UNIT,
EDDY AND LEA COUNTIES, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Hearing Examiner
WILLIAM V. JONES, Legal Examiner

November 10, 2011

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, DAVID K. BROOKS,
Hearing Examiner on Thursday, November 11, 2011, at the
New Mexico Energy, Minerals and Natural Resources
Department, 1220 South St. Francis Drive, Room 102,
Santa Fe, New Mexico.

REPORTED BY: Lisa Reinicke
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

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1 A P P E A R A N C E S

2 For the Applicant:

3 JAMES GARRETT BRUCE
 4 ATTORNEY AT LAW
 5 P.O. Box 1056
 Santa Fe, New Mexico 87504-1056
 (505) 982-2043

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7 I N D E X

PAGE

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9 NO WITNESSES TESTIFIED

10 CERTIFICATE OF COMPLETION OF DEPOSITION 6

11 EXHIBITS MARKED/IDENTIFIED

12 A. Land plat 5

13 B. Affidavit of Sam McCurdy 5

14 C. Affidavit of Aaron Van Dolah 5

15 D. Affidavit of Notice 5

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1 EXAMINER BROOKS: We will now begin with
2 case number 9. At this point we will call case number
3 14748, the Application of Devon Energy Production
4 Company, LP, to expand the Cotton Draw Unit, Eddy and
5 Lea Counties, New Mexico. Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of
7 Santa Fe representing the applicant. I'm submitting the
8 case by affidavit.

9 EXAMINER BROOKS: You may proceed.

10 MR. BRUCE: Mr. Examiner, I've handed you
11 several exhibits. Exhibit A is just a land plat of the
12 current status of the Cotton Dry Unit. At one time it
13 covered over 30,000 acres. It's an older unit that has
14 been contracted over the years.

15 And at this time Devon Energy, the operator,
16 wants to expand the unit to include the south half of
17 section 11 of 25 south, 31 east, which is highlighted in
18 yellow. The reason for that is that Devon has drilled
19 some horizontal wells, which includes unit and non-unit
20 acreage. And it is the same zone that is productive in
21 the unit; therefore, it seeks to expand the unit for
22 ease of administration.

23 Submitted as Exhibit B is the affidavit of Sam
24 McCurdy, landman for Devon describing the acreage within
25 the unit currently and the acreage that is sought to be

1 included. Also attached to the affidavit is Exhibit 1,
2 which is a revised Exhibit B describing all the lands
3 and interests owners within the unit.

4 Exhibits 2 and 3 attached to Mr. McCurdy's
5 affidavit are the preliminary approvals of unit
6 expansion granted by the Bureau of Land Management and
7 the Commissioner of Public Lands. And of course they
8 need -- at least the Commissioner of Public Lands needs
9 division approval of the unit expansion before it will
10 finally approve the unit.

11 Submitted as Exhibit C is the affidavit of
12 Aaron Van Dolah, the geologist for Devon on this unit.
13 And attached to his affidavit is the geological write up
14 and geological plats submitted to the BLM and the
15 commissioner in support of unit expansion.

16 And, finally, Exhibit B is the affidavit of
17 notice. Notice of this hearing was given to the BLM,
18 the commissioner, and then to XTO Energy, which is the
19 only other working interest owner in the unit area.

20 And with that I'd move the admission of
21 Exhibits A through D and ask that this matter be taken
22 under advisement.

23 EXAMINER BROOKS: Exhibits A through D are
24 admitted, and case number 14748 is taken under
25 advisement.

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[Exhibits A through D admitted.]

[Case number 14748 taken under advisement.]

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14748,
heard by me on Nov 10, 2011.
David K. Brown Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

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3 I, Lisa Reinicke, New Mexico Provisional
4 Reporter, License #P-405, working under the direction
5 and direct supervision of Paul Baca, New Mexico CCR
6 License #112, Official Court Reporter for the US
7 District Court, District of New Mexico, do hereby
8 certify 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 and
11 was reduced to printed form under my direct supervision.

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

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22 Ex count:

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Lisa R. Reinicke,
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