

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

ORIGINAL

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P., FOR A NONSTANDARD OIL  
SPACING AND PRORATION UNIT, AN UNORTHODOX  
OIL WELL LOCATION, AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

Case 14961

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: PHILLIP GOETZ, Presiding Examiner  
DAVID K. BROOKS, Legal Examiner

April 18, 2013

Santa Fe, New Mexico

This matter came on for hearing before the  
New Mexico Oil Conservation Division, PHILLIP GOETZ, Presiding Examiner, and DAVID K. BROOKS, Legal Examiner, on Thursday, April 16, 2013, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91  
Paul Baca Professional Court Reporters  
500 Fourth Street, N.W., Suite 105

A P P E A R A N C E S

FOR THE APPLICANT:

JAMES BRUCE, ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, New Mexico 87501  
(505) 982-2043

INDEX

PAGE

EXHIBIT 6B WAS ADMITTED

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REPORTER'S CERTIFICATE

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1 EXAMINER GOETZE<sup>as</sup>: The remaining case on the  
 2 docket is Case 14961, application of Devon Energy  
 3 Production Company, L.P., for a nonstandard oil spacing  
 4 and proration unit, an unorthodox oil well location, and  
 5 compulsory pooling, Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Jim Bruce, of Santa Fe,  
 8 representing the applicant. I just have an affidavit to  
 9 submit.

10 EXAMINER GOETZE<sup>as</sup>: Very good.

11 MR. BRUCE: Mr. Examiner, this case was  
 12 heard, I believe, four weeks ago. And it was continued  
 13 either by Mr. Ezeanyim or Mr. Brooks, and it was  
 14 continued because I didn't have the affidavit as to the  
 15 unlocatable parties.

16 So marked as Exhibit 6B, is the Affidavit of  
 17 Publication from the Carlsbad newspaper. I move the  
 18 admission of Exhibit 6B and request that the matter be  
 19 taken under advisement.

20 EXAMINER GOETZE<sup>as</sup>: Exhibit 6B is accepted,  
 21 and this case will be taken under advisement.

22 No other activities, then that is the end of  
 23 the hearing.

24 (Exhibit 6B was admitted.)

25 I do hereby certify that the foregoing is  
 a correct record of the proceedings in  
 the Examined Hearing of Case No. 14961  
 heard by me on 04/19/2013  
 [Signature]

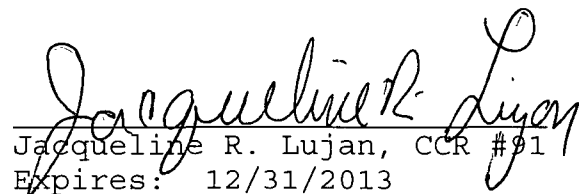
## REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO  
HEREBY CERTIFY that on April 18, 2013, proceedings in the  
above captioned case were taken before me and that I did  
report in stenographic shorthand the proceedings set  
forth herein, and the foregoing pages are a true and  
correct transcription to the best of my ability.

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

WITNESS MY HAND this 26th day of April, 2013.

  
Jacqueline R. Lujan, CCR #91  
Expires: 12/31/2013

# Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,  
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

March 26 2013

That the cost of publication is \$88.05 and that payment thereof has been made and will be assessed as court costs.

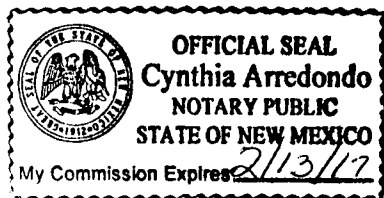
Kathy McCarroll

Subscribed and sworn to before me this

29 day of March, 2013  
Cynthia Arredondo

My commission Expires on 2/13/17

Notary Public



March 26, 2013  
NOTICE  
To: Heirs or devisees of R.E. Scott, Rozella Scott and Olaf Coleman: Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the E/2E/2 of Section 13, Township 21 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests (I) in the Delaware formation underlying the E/2E/2 of Section 13 to form a non-standard 160-acre oil spacing and proration unit (project area) and (II) the Bone Spring formation underlying the NE/4NE/4 of Section 13 for any formations and/or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Lone Tree Draw 13 State Com. Well No. 5, a horizontal well to be drilled at a surface location 150 feet from the north line and 990 feet from the east line, with a terminus in the SW/4SE/4 of Section 13. Applicant further requests unorthodox location approval of the above well from the surface to the base of the Bone Spring formation. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The application is scheduled to be heard at 8:15 a.m. on Thursday, April 18, 2013 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the well unit you have the right to enter an appearance and participate in the case. Failure to appear will preclude you from contesting this matter at a later date. The attorney for applicant is James Bruce, P.O. Box 1056, Santa Fe, New Mexico 87504. The units are located approximately 6 1/2 miles northeast of Carlsbad, New Mexico.

Oil Conservation Division  
Case No. 14961  
Exhibit No. 63