

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 NO. 13,899
COMPANY, L.P., FOR APPROVAL OF FIVE)
NONSTANDARD GAS SPACING AND PRORATION)
UNITS, SAN JUAN AND RIO ARriba COUNTIES,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Technical Examiner
DAVID K. BROOKS, Jr., Legal Examiner

July 12th, date, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Technical Examiner, DAVID K. BROOKS, Jr., Legal Examiner, on Thursday, July 12th, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

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I N D E X

July 12th, 2007
Examiner Hearing
CASE NO. 13,899

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 8-A	3	5
Exhibit 10	4	5
Exhibit 11	4	5
Exhibit 12	4	5

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A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE
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P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3 EXAMINER EZEANYIM: Well then, first of all on
4 page 3, we call -- This case was heard sometime and taken
5 under advisement, and we need to call it again to collect
6 some information. This is the Application of Devon Energy
7 Production Company for approval of five nonstandard gas
8 spacing units, in Rio Arriba and San Juan Counties.

9 Call for appearances.

10 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
11 representing the Applicant. I just have a short
12 presentation to make.

13 EXAMINER EZEANYIM: Case Number 13,899. Are
14 there any other appearances in this case?

15 Okay, Mr. Bruce.

16 MR. BRUCE: Mr. Examiner, you previously heard
17 this case, and there were some additional notice issues.

18 And then one other item. If you'll look at the
19 exhibits I've handed you, and this first one I've marked --
20 It was original Exhibit 8. I've marked it Exhibit 8-A.
21 This is to address something that Mr. Brooks asked
22 regarding the number of wells per well unit.

23 And if you'll recall, these are very nonstandard
24 units, and they've been highlighted in the pink over on the
25 left-hand side of Exhibit 8-A. And if you look at those

1 you will see that there are no more than -- I think, than
2 the required number of wells per well unit, under the rules
3 for the Basin-Dakota Gas Pool. And that's just -- that
4 wasn't clear from the other exhibits.

5 And then the Division asked for notice material,
6 so submitted as Exhibit 10 is a land plat. As noted in the
7 Application, these wells are all in the Northeast Blanco
8 Unit. The well units have been highlighted in black, and
9 then the offset working interest owners have been
10 identified, not only within the unit but outside the unit
11 where there were well units impinging on the outside of the
12 unit. And all of the working interest owners, offset
13 working interest owners, are indicated on that plat.

14 And then Exhibit 11 is mailed notice sent out to
15 all of those working interest owners. There was an Exhibit
16 9 whereby certain interest owners were notified of the
17 first go-around, and these are additional -- Exhibit 11
18 shows additional mailing notice.

19 And there were a few people who did not -- we
20 could not track down, so as a result Exhibit 12 is an
21 affidavit of publication from the Farmington newspaper
22 showing that notice was given to several people. Actually
23 the only ones who did not receive mailed notice were James
24 B. Fullerton and Henry G. Robledo.

25 And with that, I would move the admission of

1 Exhibits 8-A and 10, 11 and 12, and ask that the matter be
2 taken under advisement.

3 EXAMINER EZEANYIM: Exhibits 8-A and 10, 11 and
4 12 will be admitted.

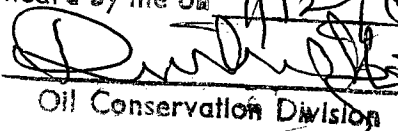
5 Do you have any questions?

6 EXAMINER BROOKS: No questions.

7 EXAMINER EZEANYIM: At this point Case Number
8 13,899 will again be taken under advisement.

9 (Thereupon, these proceedings were concluded at
10 8:23 a.m.)

11 * * *

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13
14
15 I do hereby certify that the foregoing is
16 a complete record of the proceedings in
17 the Examiner hearing of Case No. 13899
18 heard by me on 12/10/79
19  Examiner
20 Oil Conservation Division
21
22
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24
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 12th, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010