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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:

ORIGINAL

APPLICATION OF DEVON ENERGY PRODUCTION CASE NO. 14244  
COMPANY, LP FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

BEFORE: DAVID K. BROOKS, Legal Examiner  
RICHARD EZEANYIM, Technical Examiner  
TERRY G. WARNELL, Technical Examiner

November 13, 2008

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico  
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,  
RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL,  
Technical Examiner, on Thursday, November 13, 2008, at the  
New Mexico Energy, Minerals and Natural Resources Department,  
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

## A P P E A R A N C E S

FOR THE APPLICANT:

James G. Bruce, Esq.  
ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, New Mexico 87504

PAGE

EXHIBITS 1 AND 2 ADMITTED

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REPORTER'S CERTIFICATE

6

1 MR. EZEANYIM: At this time, we call Case No. 14244.  
2 This is the Application of the Devon Production Company, LP for  
3 Compulsory Pooling, Eddy County, New Mexico.

4 Call for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
6 representing the applicant. I am submitting this case by  
7 affidavit.

8 MR. EZEANYIM: Any other appearances? Okay,  
9 Mr. Bruce, you may proceed.

10 MR. BRUCE: Mr. Examiner, I've submitted you two  
11 exhibits. Exhibit 1 is the affidavit of Devon Energy's  
12 landman. Devon is seeking to force-pool the E/2 of Section 15,  
13 19 South, 31 East, from the surface to the base of the Morrow  
14 formation. They are also seeking to force-pool 160-acre well  
15 units and 40-acre well units.

16 The only party being pooled is ConocoPhillips  
17 Company, which owns a 6.25 percent interest. They are being  
18 pooled simply because ConocoPhillips seems to be unable to  
19 timely respond to any well proposal set by anyone. The  
20 proposal letter is attached. An AFE is attached. It's about a  
21 \$4 million well.

22 Applicant requests that a 200 percent risk charge be  
23 assessed against ConocoPhillips if it goes non-consent. And  
24 the overhead rates are also set forth in the affidavit at 6600  
25 a month for a drilling well and 660 a month for a producing

1 well.

2 Exhibit 2 is simply my Affidavit of Notice showing  
3 that Devon did give notice to ConocoPhillips, and it was  
4 received. There are no unlocatable parties.

5 And I'd ask that Exhibits 1 and 2 be admitted as  
6 evidence, and that the case be taken under advisement.

7 MR. EZEANYIM: Exhibits 1 and 2 will be admitted.

8 [Applicant's Exhibits 1 and 2 admitted into  
9 evidence.]

10 MR. EZEANYIM: Any questions?

11 MR. BROOKS: ConocoPhillips is the only party being  
12 pooled?

13 MR. BRUCE: That's correct.

14 MR. EZEANYIM: Did you say you located everybody?

15 MR. BRUCE: Yes. And everybody else is joined in the  
16 well. The proposal letter went out to about half a dozen  
17 people, and everybody joined in except ConocoPhillips.

18 MR. EZEANYIM: ConocoPhillips has not agreed to join?

19 MR. BRUCE: That's correct.

20 MR. EZEANYIM: So there's no need for escrow?

21 MR. BRUCE: No, no need.

22 MR. EZEANYIM: This well has been drilled already?

23 MR. BRUCE: No. I think it'll be commenced in about  
24 a month.

25 MR. EZEANYIM: Do you have any API numbers?

1 MR. BRUCE: Mr. Examiner, I'll e-mail that to you. I  
2 think there is an API number, and I meant to dig that up before  
3 coming here, and I forgot.

4 MR. EZEANYIM: We would like to have that.

5 MR. BRUCE: I'll do that.

6 MR. EZEANYIM: If there are no more questions, Case  
7 No. 14244 will be taken under advisement.

8 \* \* \*

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10  
11  
12 I do hereby certify that the foregoing is  
13 a complete record of the proceedings in  
14 the Examiner hearing of Case No. 14244  
15 heard by me on 1/18/13  
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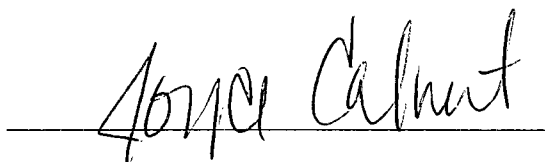
Oil Conservation Division, Examiner

1  
2 **REPORTER'S CERTIFICATE**

3  
4 I, JOYCE D. CALVERT, Provisional Court Reporter for  
5 the State of New Mexico, do hereby certify that I reported the  
6 foregoing proceedings in stenographic shorthand and that the  
7 foregoing pages are a true and correct transcript of those  
8 proceedings and was reduced to printed form under my direct  
9 supervision.

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

14 DATED this 13th day of November, 2008.  
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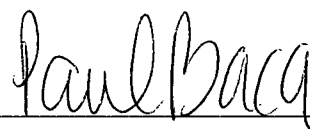
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22 New Mexico P-03  
23 License Expires: 7/31/09  
24  
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1 STATE OF NEW MEXICO )  
2 COUNTY OF BERNALILLO )

3  
4 I, JOYCE D. CALVERT, a New Mexico Provisional  
5 Reporter, working under the direction and direct supervision of  
6 Paul Baca, New Mexico CCR License Number 112, hereby certify  
7 that I reported the attached proceedings; that pages numbered  
8 1-5 inclusive, are a true and correct transcript of my  
9 stenographic notes. On the date I reported these proceedings,  
10 I was the holder of Provisional License Number P-03.

11 Dated at Albuquerque, New Mexico, 13th day of  
12 November, 2008.

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