

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 Company, L.P. for
a Compulsory pooling,
Eddy County, New Mexico Case No. 22142

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, SEPTEMBER 9, 2021

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq., Hearing Examiner, Kurt Simmons,
Technical Examiner, on September 9, 2021, via Webex
Virtual Conferencing Platform hosted by New Mexico
Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

FOR DEVON ENERGY PRODUCTION COMPANY, LP.:

Darin C. Savage, Esq.
Abadie & Schill, PC
214 McKenzie Street
Santa Fe, NM 87501
darin@abadieschill.com

C O N T E N T S

	PAGE
CASE NO. 22142	
CASE CALLED:	4
TAKEN UNDER ADVISEMENT:	8

	I N D E X O F E X H I B I T S		
	NO.	DESCRIPTION	ADMITTED
1			
2			
3	A	Affidavit of Verl Brown, Landman	8
4	A-1	C-102	8
5	A-2	Ownership and Sectional Map	8
6	A-3	Well Proposal Letter and AFE	8
7	A-4	Chronology of Contacts	8
8	B	Affidavit of Kate Hughston-Kennedy	8
9	B-1	Structure Map	8
10	B-2	Stratigraphic Cross Section	8
11	B-3	Gross Isochore	8
12	B-4	Gun Barrel View	8
13	B-5	Trajectory Cross Section	8
14	C	Affidavit of Notice	8
15	C-1	Notice Letter	8
16	C-2	Mailing List	8
17	C-3	Affidavit of Publication	8
18			
19			
20			
21			
22			
23			
24			
25			

1 (Time noted 10:02 a.m.)

2 EXAMINER BRANCARD: Cases 22142, Devon Energy
3 Production.

4 MR. SAVAGE: Yes, Mr. Hearing Examiner. This is
5 Darin Savage on behalf of Devon Energy Production Company,
6 L.P.

7 Let me pull this case up real quick. I
8 apologize for the delay here. I thought I had this one up
9 on my computer.

10 EXAMINER BRANCARD: I'm going to ask if there
11 are any other interested persons for Case 22142.

12 MR. SAVAGE: Okay.

13 EXAMINER BRANCARD: Hearing none, are you ready
14 to go, Mr. Savage, or should we take a break?

15 MR. SAVAGE: No, this is good.

16 We are representing Case 22142, which
17 covers the lands in the east half of Sections 15 and 22,
18 Township 25 South, Range 31 East, Eddy County, New Mexico.

19 This case is without objection and with the
20 Division's consent we plan to proceed by affidavit.

21 The landman, Verl Brown for these cases has
22 testified before the Division and this credentials have
23 been accepted and a made a matter of record.

24 The geologist is Kate Hughston-Kennedy.
25 She has not testified previously before the Division. She

1 has worked as a petroleum geologist for Devon since 2013,
2 received her Bachelor's in geology from Texas A&M. She
3 has published on the characteristics of New Mexico's
4 Delaware Basin and has provided a one-page resume for your
5 review in her Exhibit B. I tender Ms. Hughston-Kennedy as
6 and expert witness in geology.

7 In this Case No. 22142, Devon seeks an
8 order creating a standard 640-acre spacing unit covering
9 the east half of Sections 15 and 22 and pooling all
10 uncommitted interests in the Wolfcamp Formation designated
11 as a Gas Pool.

12 The unit has dedicated the four wells, the
13 Shire 22-15 Fed Com 613H well, the Shire 22-15 Fed Com 618
14 well, the Shire 22-15 Fed Com 718 well, and the Shire
15 22-15 Fed Com 733H.

16 Orientation of the wells are standup, south
17 to north. And they do have a nonstandard location but
18 have been approved administratively by the Division.

19 Mr. Brown's' Exhibit A for Case 22142
20 includes his landman's affidavit, C-102s, ownership
21 breakdown, Well Proposal with AFEs, and a Chronology of
22 Contacts showing good faith negotiations.

23 The working interest owners have committed
24 their interests to this unit by voluntary agreement and
25 this application is presented for the purpose of pooling

1 the overriding royalty interest owners.

2 Ms. Hughston-Kennedy's Exhibit B for this
3 case includes her geology affidavit, along with the five
4 standard geology exhibits showing good potential for
5 development.

6 Exhibit C provides the Affidavit of Notice
7 of for mailings and Publication Notice. Notice was timely
8 sent. Two parties were unlocatable as Devon received
9 Return Mailings for Barry Eugene Bryant and Eva Mendoza
10 Bryant. Five mailing are listed as still in transit.
11 Devon timely published Notice to account for any
12 unlocatable parties or such contingencies.

13 Both Mr. Brown and Ms. Hughston-Kennedy
14 affirm that the approval of this application is in the
15 best interest of conservation, protection of correlative
16 rights and prevention of waste, and will prevent the
17 drilling of unnecessary wells.

18 Mr. Examiner, at this point I move that
19 Exhibits A, B and C, and all sub exhibits be admitted into
20 the record for Case 21142, and that this case be taken
21 under advisement.

22 I stand available for any questions
23 regarding this case.

24 EXAMINER BRANCARD: THANK you.

25 Mr. Simmons.

1 MR. SIMMONS: Did I hear mention about a
2 nonstandard location?

3 MR. SAVAGE: Yes. This is in the Purple Sage
4 Wolfcamp and the take points, they are 100 feet from the
5 outer boundary. But we have already applied and have
6 received approval from the Division for those locations.

7 EXAMINER SIMMONS: Okay. Good. No other
8 questions. Thank you. We will contact you if anything
9 does come up for our consideration.

10 MR. SAVAGE: Okay. Thank you for your
11 consideration.

12 EXAMINER BRANCARD: Mr. Savage, I thought when I
13 saw the applications these were only overriding royalty
14 interests.

15 MR. SAVAGE: Yes. We were able to receive
16 voluntary agreements and a JOA for the working interest
17 owners, and we had a number of overriding royalty interest
18 owners. We wanted to make sure that they were accounted
19 for. There's a number of them.

20 I guess the other option would be to ratify
21 the CA, but we just want to make sure everything was in
22 place.

23 EXAMINER BRANCARD: Thank you. So there are no
24 working interests being pooled.

25 MR. SAVAGE: No.

1 EXAMINER BRANCARD: All right. We just do a
2 slightly different Order in that regard. We don't have to
3 do a lot of the standard stuff, 200 percent and all that.

4 MR. SAVAGE: Right. Yes. Thank you. That's
5 clear. It's overriding royalty interests only.

6 EXAMINER BRANCARD: Thank you. So, finally, are
7 there any other interested persons for Case 22142 today?

8 (Note: Pause.) Hearing none, the exhibits
9 are admitted into the record and Case 22142 will be taken
10 under advisement.

11 MR. SAVAGE: Thank you.

12 (Time noted 10:08 a.m.)

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

4

5

REPORTER'S CERTIFICATE

6

I, MARY THERESE Macfarlane, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

September 9, 2021, the proceedings in the above-captioned

9

matter were taken before me; that I did report in

10

stenographic shorthand the proceedings set forth herein,

11

and the foregoing pages are a true and correct

12

transcription to 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

License Expires: 12/31/2021

22

23

24

25