

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING OCTOBER 17, 2019**

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A STANDARD  
HORIZONTAL SPACING AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 20792**

Billiken 7-6 Fed Com 5H Well  
Billiken 7-6 Fed Com 6H Well  
Billiken 7-6 Fed Com 7H Well  
Billiken 7-6 Fed Com 8H Well

**Devon Energy Production Company, L.P.**

**HEARING EXHIBITS**

- Exhibit 1: Application
- Exhibit 2: Affidavit of Joe Hammond, Landman, and supporting documents
- Exhibit 3: Affidavit of J. Russell Goodin, Geologist, and supporting documents
- Exhibit 4: Notice Affidavit
- Exhibit 5: Affidavit of Publication

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

APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY LP FOR A STANDARD HORIZONTAL SPACING  
AND PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

Case No. 20792

AFFIDAVIT OF J. RUSSELL GOODIN

I, being duly sworn on oath, state the following:

1. I am over the age of 18 and I have personal knowledge of the matters stated herein.
2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the geology involved.
3. This affidavit is submitted in connection with the filing by Devon of the above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
  - a. I hold a Bachelor's degree in Geology from Weber State University and a Master's degree in Geology from Simon Fraser University. I completed my education in 2008.
  - b. I have been employed as a petroleum geologist since December of 2008.
5. **Exhibit A** is a Wolfcamp structure map. The unit being pooled is outlined by a red rectangle. Strata dip approximately 100' southward across the Billiken sections (sections 6 and 7 of 26S 35E). Apparent structural dip along the proposed Billiken wellbores is approximately 0.6° to the south. No major structural hazards exist at this location.



6. **Exhibit A** identifies wells in the vicinity of the proposed well, with a cross-section line running from A to A'.
7. **Exhibit A** shows that structure dips toward the south.
8. **Exhibit B** is a Wolfcamp stratigraphic cross-section flattened on the top of the Wolfcamp "100". The cross-section shows consistent target thickness in wells near the Billiken sections. The well logs on the cross-section give a representative sample of the upper Wolfcamp formation in the area and demonstrate reasonable well control. The target zone for the wells is the upper Wolfcamp as indicated by the green lines in Exhibit B. The target zone is continuous across the well unit.
9. **Exhibit C** is a gross isochore of the upper Wolfcamp formation. The map shows thickness for the "target interval" indicated in Exhibit B. The upper Wolfcamp is uniform across the proposed well unit.
10. I conclude from the maps that:
  - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
  - b. There are no structural impediments or faulting that will interfere with horizontal development.
  - c. Each quarter-quarter section in the unit will contribute more or less equally to production.
11. The preferred well orientation in this area is south-north. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.
12. The granting of this Application is in the interests of conservation and the prevention of waste.
13. The foregoing is correct and complete to the best of my knowledge and belief.

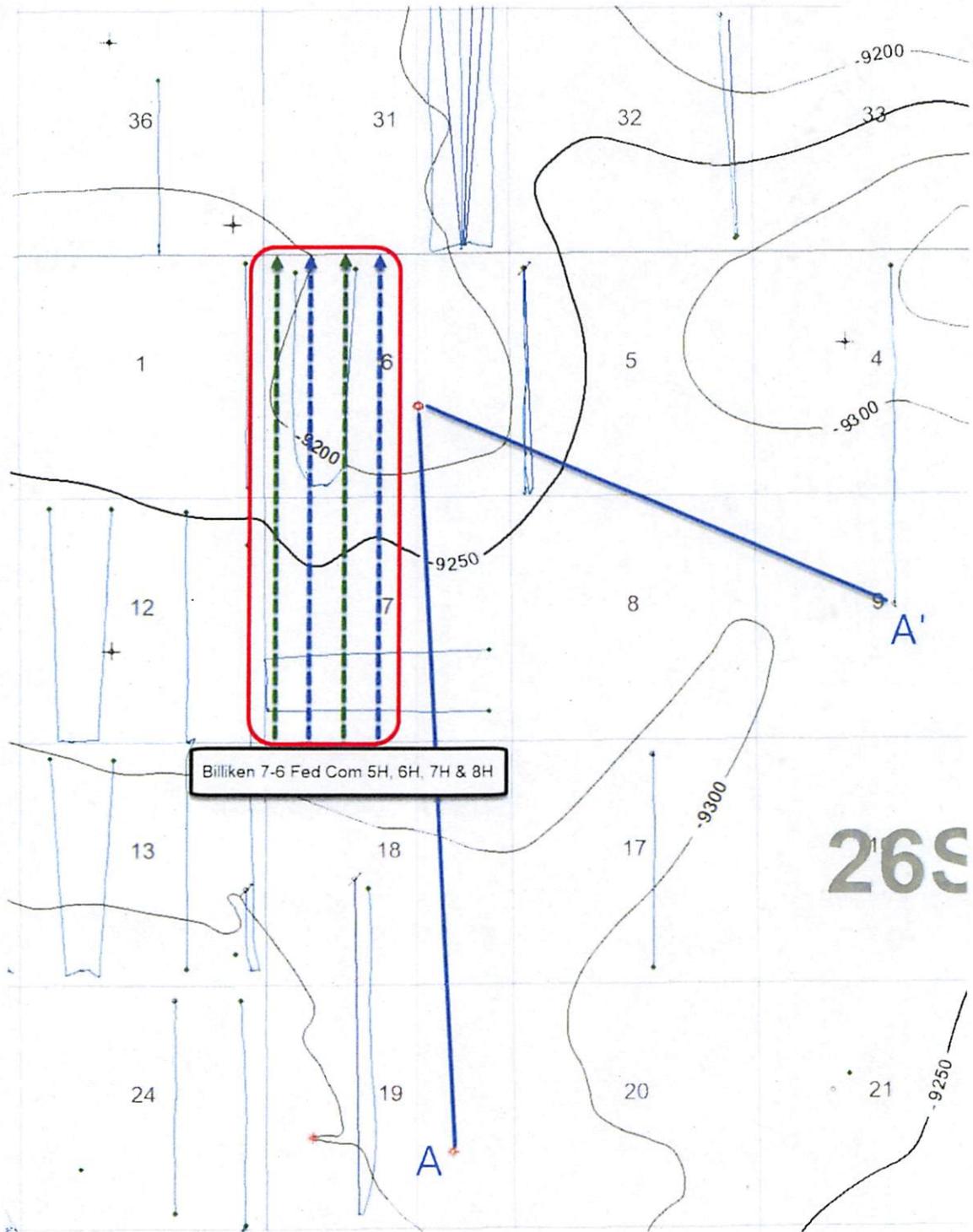
FURTHER AFFIANT SAYETH NAUGHT

J. Russell Goodin  
J. Russell Goodin

Subscribed to and sworn before me this 9th day of October 2019.

Rachel Gerlach  
Notary Public





Billiken 7-6 Fed Com 5H, 6H, 7H & 8H

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Exhibit A. Water ramp structure map. Contour interval = 50'. Cross section indicated by blue line labeled A to A'. The green and blue dashed lines indicate the girl's being covered. Green and blue colors are also used in cross section to indicate landing interval.

tabbles  
**EXHIBIT**  
**3A**

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Exhibit A. Wolfcamp structure map. Contour interval = 50'. Cross section indicated by line A-A'. The green and blue washed lines indicate wells being drilled. Green and blue colors are also used in cross section to indicate casing interval.

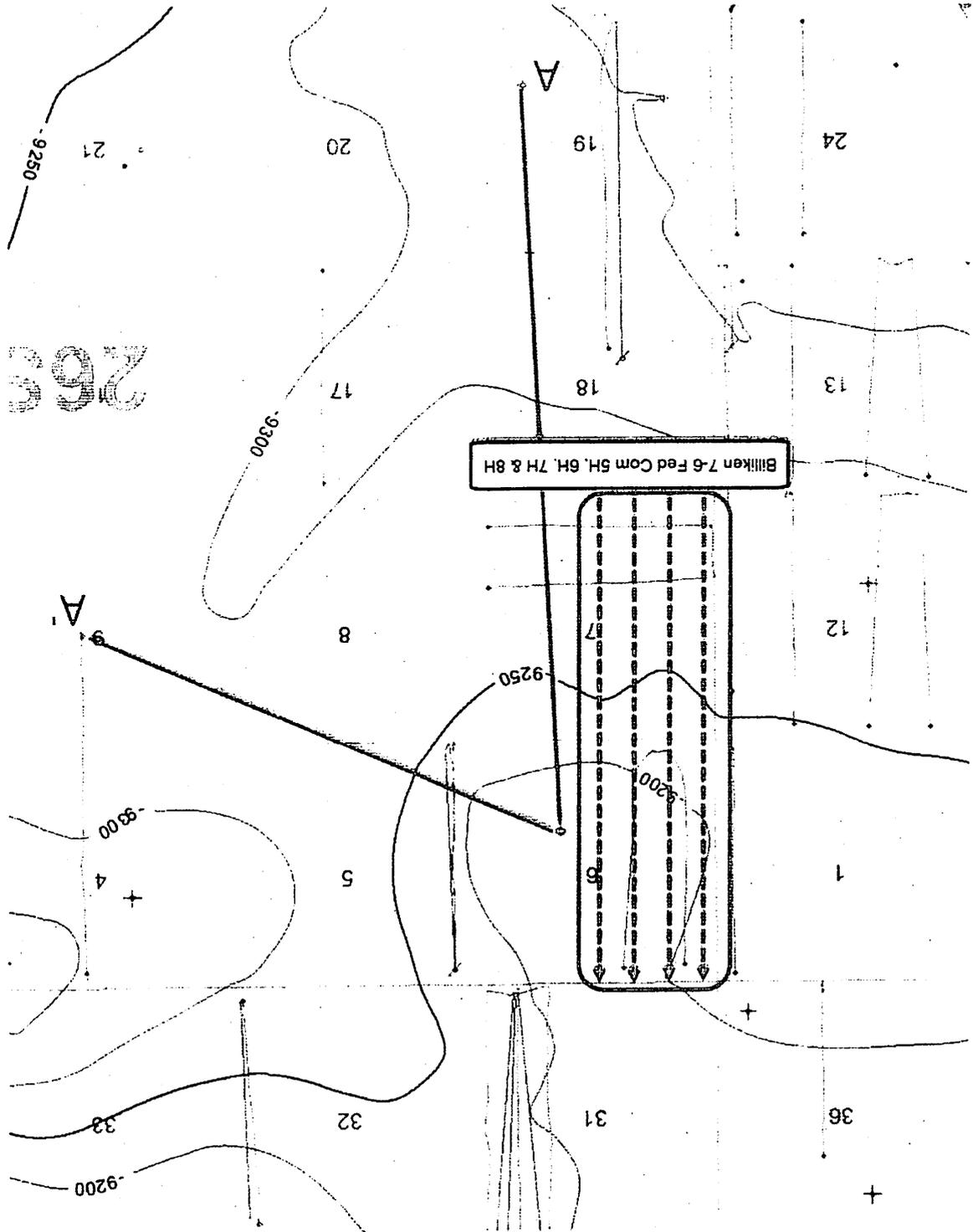
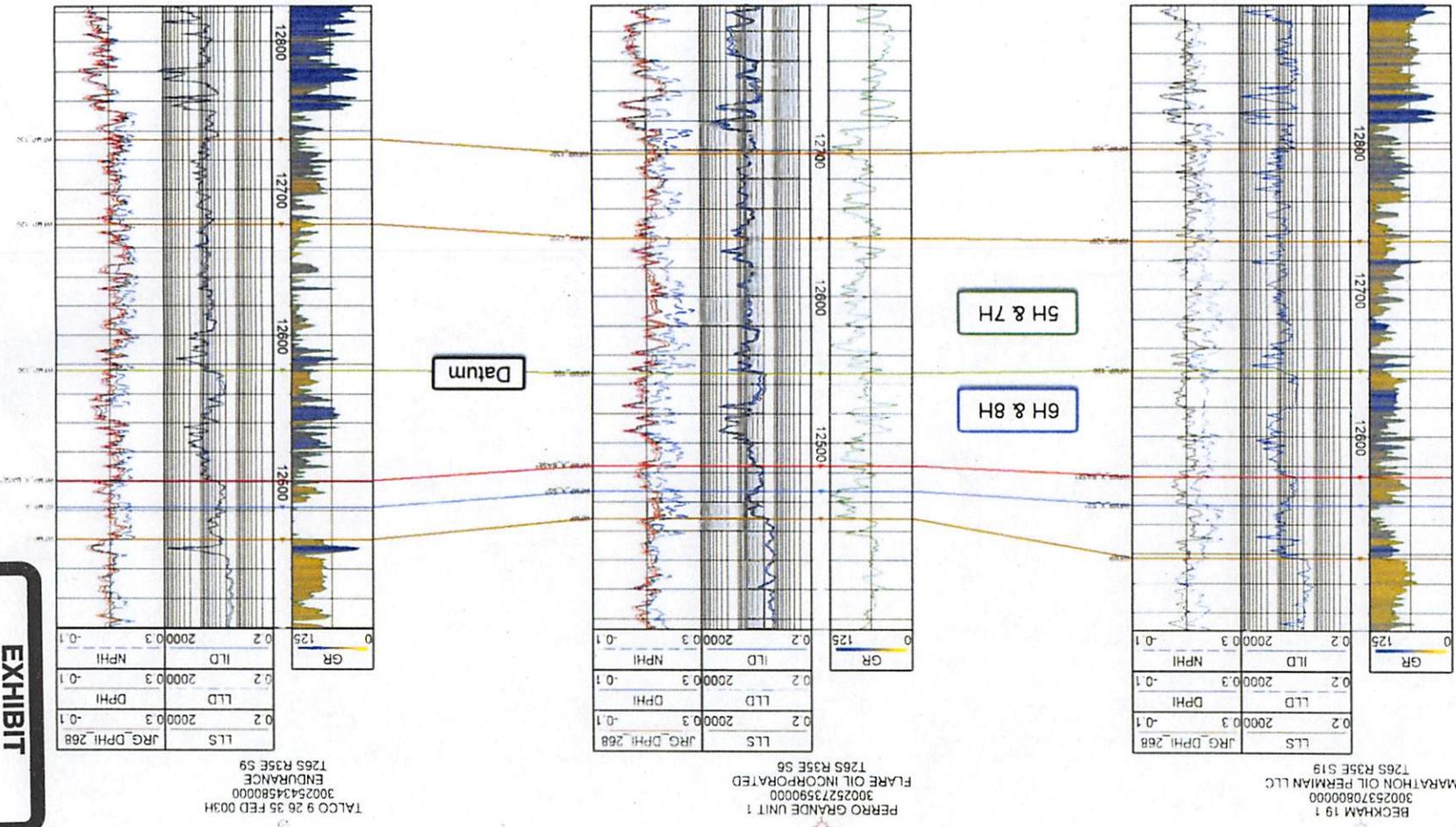


Exhibit B: Cross section A to A', Stratigraphic cross-section hung on top of Wolfcamp "100", target interval indicated by well numbers.



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BECKHAM 19 1  
30025370800000  
MARATHON OIL PERMIAN LLC  
T26S R35E S19

PERRO GRANDE UNIT 1  
30025273590000  
FLARE OIL INCORPORATED  
T26S R35E S6

TALCO 9 28 35 FED 003H  
30025434580000  
ENDURANCE  
T26S R35E S9

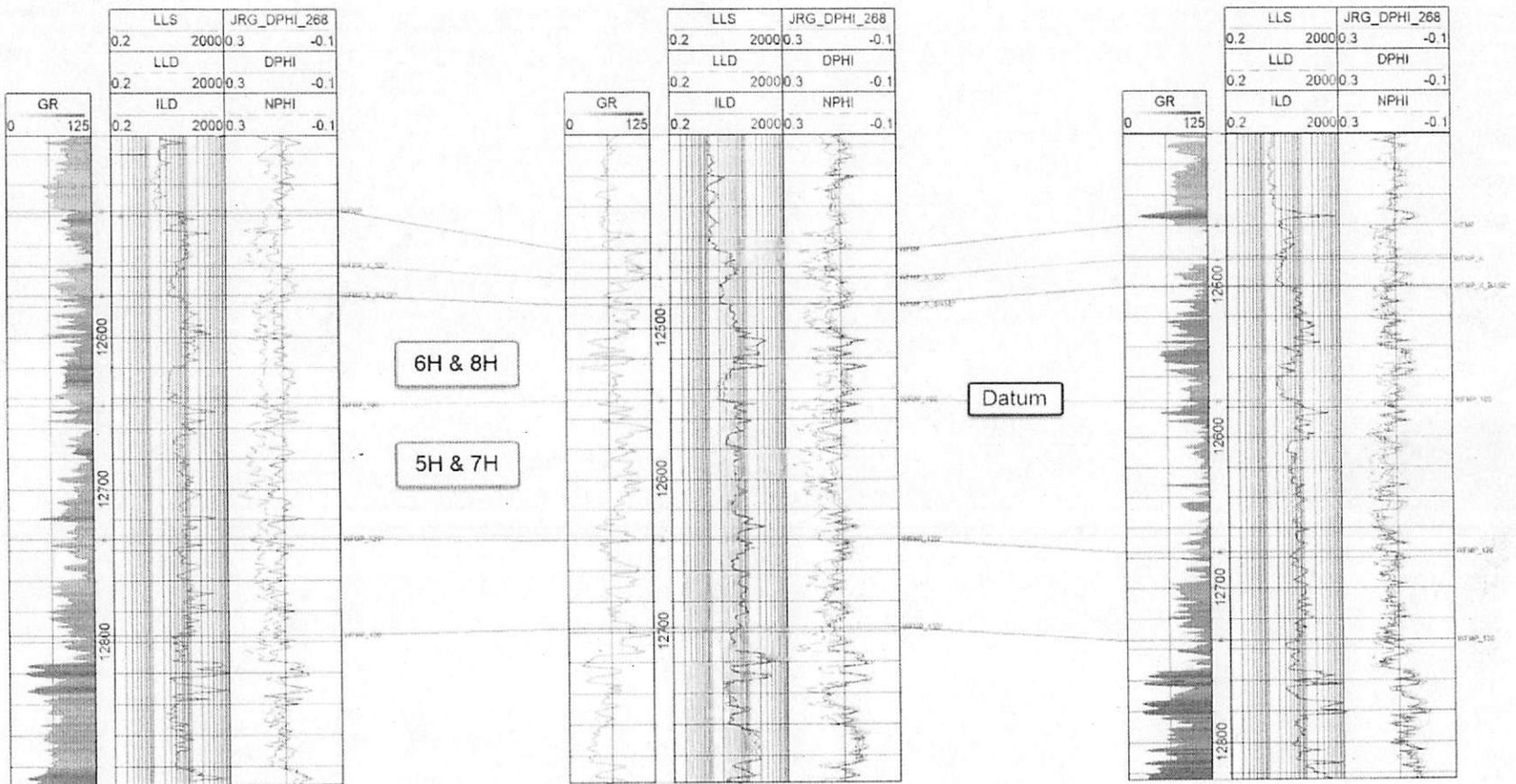
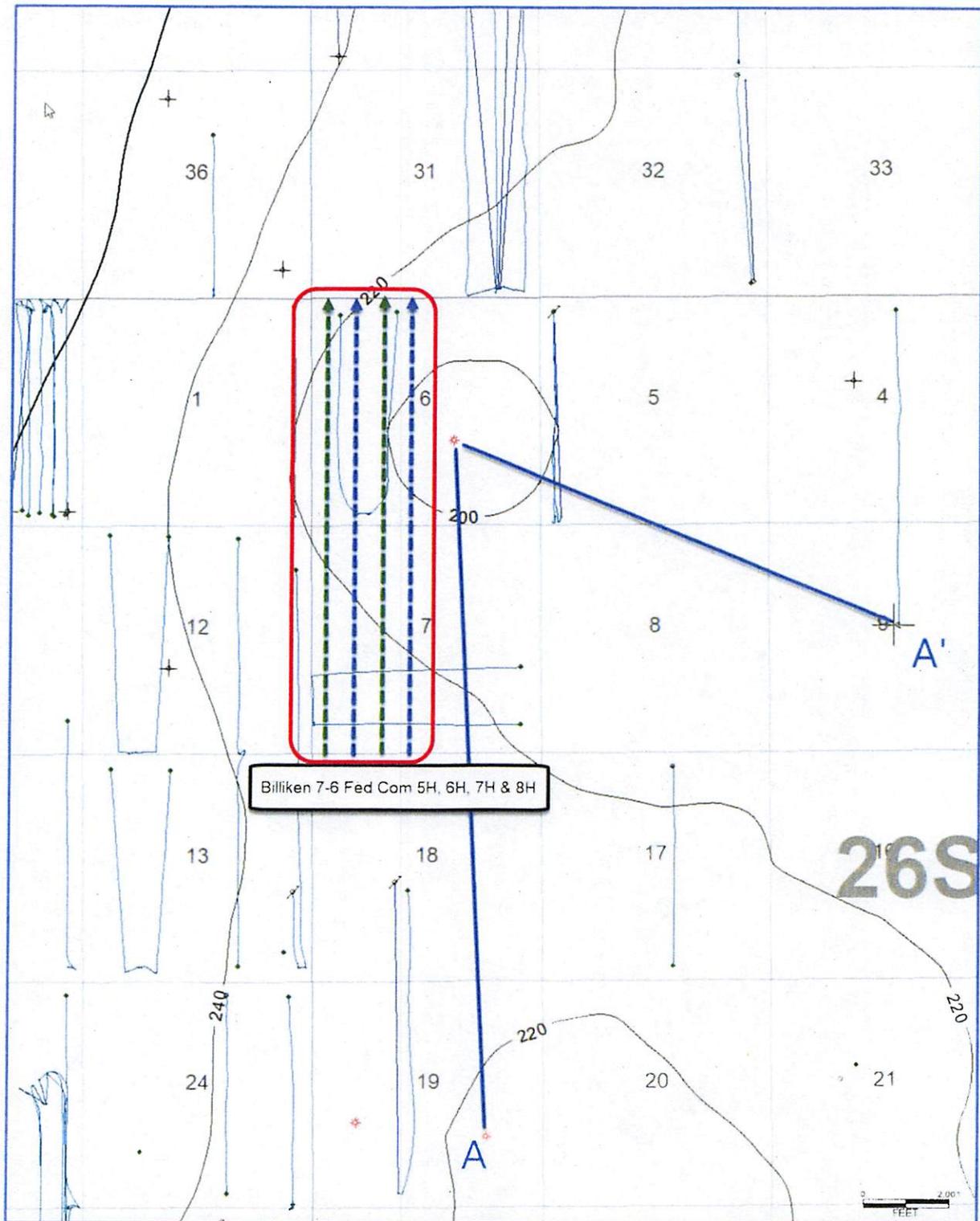


Exhibit B: Cross-section A to A'. Stratigraphic cross-section hung on top of Wolfcamp "100". Target interval indicated by well numbers.



Billiken 7-6 Fed Com 5H, 6H, 7H & 8H

Exhibit C. Increase thickness of target interval, indicated in mass section (Exhibit B). Contour interval = 20'. Cross section indicated by line and labeled A to A'

EXHIBIT  
3C

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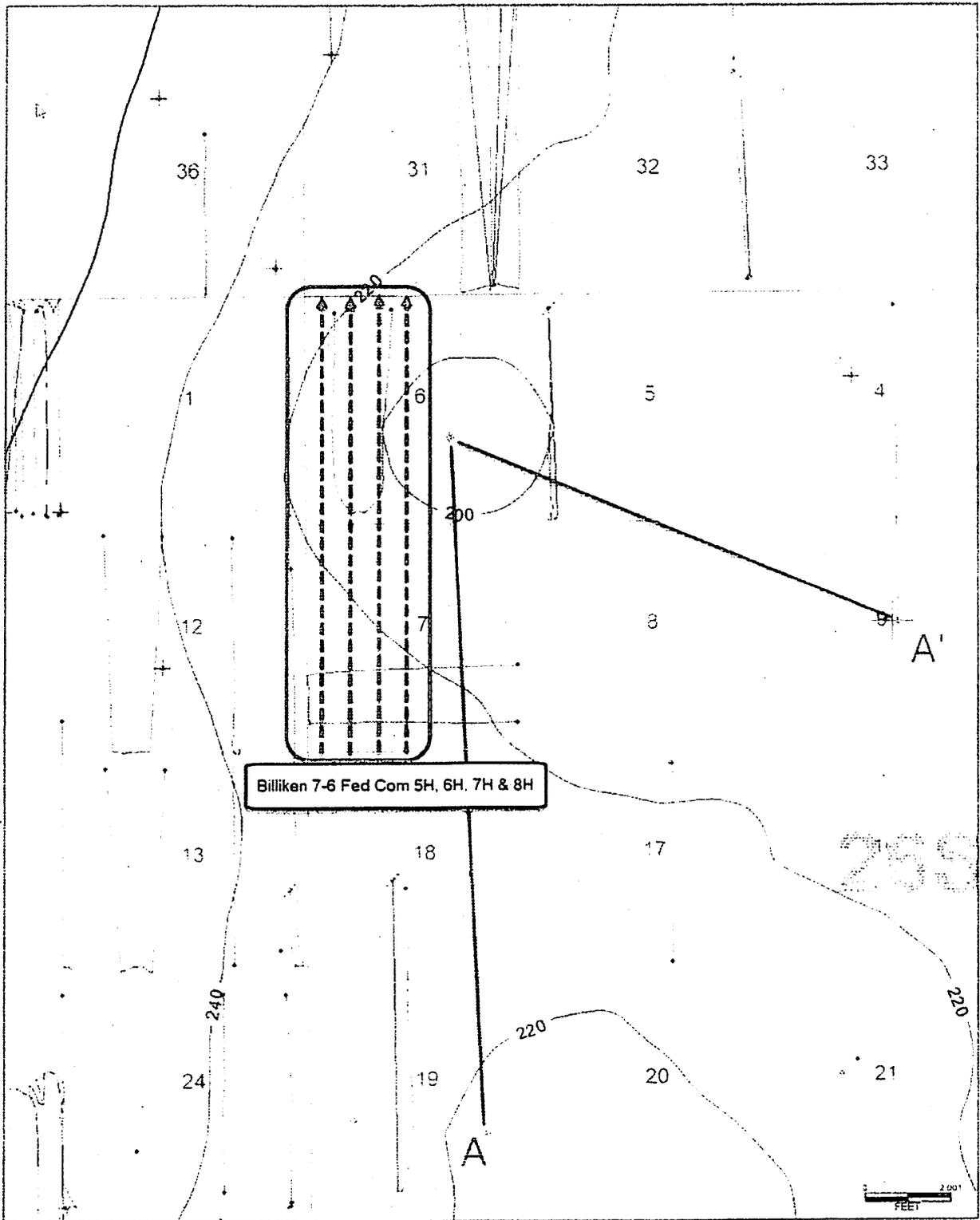


Exhibit C. Isochore thickness of target intervals indicated on cross-section. Exhibit B. Contour interval = 20. Cross-section indicated by blue line labeled A to A'.



Transaction Report Details - CertifiedPro.net  
 Date Created= 8/01/2019 - 10/15/2019  
 Reference Number= Billiken - 20792  
 Generated: 10/15/2019 7:16:37 AM

USPS Article Number	Date Created	Reference	Name 1	Address	City	State	Zip	Mailing Status	Delivery Date
9314869904300063152764	2019-09-10 3:25 PM	Billiken - 20792	MerPel, LLC	4245 N. Central Expy.	Dallas	TX	75205	Mailed	
9314869904300063152726	2019-09-10 3:24 PM	Billiken - 20792	TD Minerals LLC	8111 Westchester Drive	Dallas	TX	75225	Delivered	09-16-2019
9314869904300063152689	2019-09-10 3:24 PM	Billiken - 20792	Pony Oil Operating, LLC	4245 N. Central Expy.	Dallas	TX	75205	Mailed	
9314869904300063152665	2019-09-10 3:23 PM	Billiken - 20792	Bryan Bell Family Limited Partnership #1	1331 Third Street	New Orleans	LA	70130	Undelivered	
9314869904300063152610	2019-09-10 3:22 PM	Billiken - 20792	Rubie C. Bell Family Limited Partnership #1	1331 Third Street	New Orleans	LA	70130	Undelivered	
9314869904300063152467	2019-09-10 3:15 PM	Billiken - 20792	Howard A. Rubin, Inc.	P.O. Box 58	El Rito	NM	87530	To be Returned	
9314869904300063152351	2019-09-10 3:13 PM	Billiken - 20792	Wells Fargo Bank	P.O. Box 1968	Albuquerque	NM	87103	Delivered	09-13-2019
9314869904300063152283	2019-09-10 3:12 PM	Billiken - 20792	DMA, Inc.	P.O. Box 1496	Roswell	NM	88202	To be Returned	
9314869904300063152252	2019-09-10 3:12 PM	Billiken - 20792	SAP, LLC	4901 Whitney Lane	Roswell	NM	88203	Delivered	09-16-2019
9314869904300063151866	2019-09-10 3:00 PM	Billiken - 20792	Ronald H. Mayer	P.O. Box 2391	Roswell	NM	88202	Delivered	09-16-2019
9314869904300063151828	2019-09-10 2:59 PM	Billiken - 20792	Thomas D. Deason, MSU	6402 CR 7420	Lubbock	TX	79424	To be Returned	
9314869904300063151774	2019-09-10 2:57 PM	Billiken - 20792	Richard C. Deason, MSU	1301 N. Havenhurst #217	West Hollywood	CA	90046	To be Returned	
9314869904300063151712	2019-09-10 2:56 PM	Billiken - 20792	Charmar, LLC	4815 Vista Del Osa Court, N.E.	Albuquerque	NM	87109	Delivered	09-12-2019
9314869904300063151682	2019-09-10 2:55 PM	Billiken - 20792	Madison M. Hinkle, MSU	P.O. Box 2292	Roswell	NM	88202	Delivered	09-17-2019
9314869904300063151064	2019-09-10 2:46 PM	Billiken - 20792	Rolla R. Hinkle III, SSP MORRIS SCHERTZ AND	P.O. Box 2292	Roswell	NM	88202	Delivered	09-17-2019
9314869904300063150791	2019-09-10 2:40 PM	Billiken - 20792	HOLLY K. SCHERTZ	PO BOX 2588	ROSWELL	NM	88202-2588	Delivered	09-16-2019
9314869904300063150463	2019-09-10 2:36 PM	Billiken - 20792	Marathon Oil Permian, LLC Occidental Permian Limited	5555 San Felipe St	Houston	TX	77056	Delivered	09-16-2019
9314869904300063148910	2019-09-10 2:17 PM	Billiken - 20792	Partnership OCCIDENTAL PERMIAN	580 Westlake Park Blvd.	Houston	TX	77210	To be Returned	
9314869904300063148842	2019-09-10 2:17 PM	Billiken - 20792	LIMITED PARTNERSHIP	5 GREENWAY PLZ STE 110	HOUSTON	TX	77046-0521	Delivered	09-16-2019
9314869904300063148798	2019-09-10 2:15 PM	Billiken - 20792	Chevron U.S.A. Inc.	1400 Smith Street	Houston	TX	77002	Delivered	09-17-2019

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September 10, 2019

VIA CERTIFIED MAIL

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico  
Billiken 7-6 Fed Com 5H Well  
Billiken 7-6 Fed Com 6H Well  
Billiken 7-6 Fed Com 7H Well  
Billiken 7-6 Fed Com 8H Well

Case No. 20792

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application with the New Mexico Oil Conservation Division for creating a standard horizontal spacing and the compulsory pooling of the Wolfcamp formation underlying Lots 1 – 4 and the E/2 W/2 of Section 6-26S-35E, and Lots 1 – 4 and the E/2 W/2 of Section 7-26S-35E, NMPM, Lea County, New Mexico, encompassing 644.08 acres, more or less.

A hearing has been requested before a Division Examiner on October 3, 2019, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

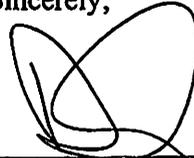
Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.



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If you have any questions about this matter, please contact Taylor Ford at (405) 552-8070 or at [Taylor.Ford@dvn.com](mailto:Taylor.Ford@dvn.com)

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Darin C. Savage

Attorney for Devon Energy  
Production Company, L.P.

September 10, 2019

VIA CERTIFIED MAIL

To: Marathon Oil Permian LLC (“Marathon”)

Re: Application of Devon Energy production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico  
Billiken 7-6 Fed Com 5H Well  
Billiken 7-6 Fed Com 6H Well  
Billiken 7-6 Fed Com 7H Well  
Billiken 7-6 Fed Com 8H Well

Case No. 20792

Dear Jeffrey Broussard and/or Ryan Gillenband:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application with the New Mexico Oil Conservation Division (“MNOCD”) for creating a standard horizontal spacing unit and the compulsory pooling of the Wolfcamp formation underlying Lots 1 – 4 and the E/2 W/2 of Section 6-26S-35E and Lots 1 – 4 and the E/2 W/2 of Section 7-26S-35E, NMPM, Lea County, New Mexico, encompassing 644.08 acres, more or less.

A hearing has been requested before a Division Examiner on October 3, 2019, and the status of the hearing can be monitored through the Division’s website. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division’s Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

There is no evidence of record that Marathon owns an interest in the proposed unit; however, record owner Occidental Permian Limited Partnership has indicated that its interest is subject to an unrecorded farmout agreement (“FOA”) with Marathon. While we do not know the status of the unrecorded FOA, because we have become aware of it, we are sending you this letter as a courtesy pursuant to Division Rule 19.15.4.12.A(1) NMAC.

If you have acquired an ownership interest under the FOA and are currently an owner in the proposed unit at the time of this application, this letter is provided to account for such circumstances and serve notice, and you may appear at the hearing and present testimony. Failure of an interest owner to appear and become a party of record will preclude the owner from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division’s Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of

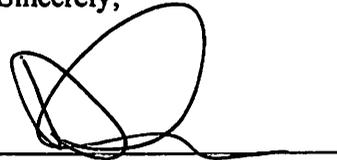


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the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Taylor Ford at (405) 552-8070 or at [Taylor.Ford@dvn.com](mailto:Taylor.Ford@dvn.com)

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the right.

Darin C. Savage

Attorney for Devon Energy  
Production Company, L.P.

**Bryan Bell Family LLC**  
P. O. Box 24591  
New Orleans, LA 70184-4591  
Phone: (504) 427-6868  
E-mail: [taxman213@aol.com](mailto:taxman213@aol.com)

COPY

September 25, 2019

Abadie Schill PC  
Attn: Darin C. Savage  
214 McKenzie St.  
Santa Fe, NM 87501

Dear Mr. Savage:

Reference Number: Billiken – 20792  
Application of Devon Energy Production Company, LP for  
horizontal spacing and compulsory pooling, Lea County, NM

I am writing to you in my capacity as the Managing Member of the Bryan Bell Family LLC, which was formerly the Bryan Bell Family Limited Partnership No. 1. The partnership was converted to a Louisiana LLC in May of 2013 and the conversion was subsequently recorded in the public records of Lea County, New Mexico. I enclose a copy of the recorded conversion documents for your reference. The correct address is the post office box address in the above letterhead.

First, this LLC has no objection to the Devon application as described and documented in your mailing of September 10, 2019.

Please correct your records to indicate the correct name and current address of the Bryan Bell Family LLC so that any future mailings are received in a timely manner. This certified mail document was provided to me by the current resident at the old address of 1331 Third Street in New Orleans.

Devon Energy Production Company, LP currently pays this LLC production revenue from several unrelated properties under owner #094276 01. The Devon records for this owner number contain the correct name and address for the LLC. Please make certain that the personnel at Devon know that the interests described in your letter should be placed under the existing owner number should there be any resultant production revenue.

Please indicate receipt of this information by signing the enclosed copy of this letter and returning that signed copy to me using the envelope provided.

Yours very truly,

  
Frank Robert Janusa, CPA  
Managing Member

FRJ/ddl  
Encl.  
Ptrshp 2019: BB FLLC Devon Billiken pooling change request

RECEIVED BY: \_\_\_\_\_

DATE RECEIVED: \_\_\_\_\_



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Street Address: 211 20th Street, New Orleans, LA 70124-1235

COPY

**Rubie Crosby Bell Family LLC**  
P. O. Box 24591  
New Orleans, LA 70184-4591  
Phone: (504) 427-6868  
E-mail: taxman213@aol.com

COPY

September 25, 2019

Abadie Schill PC  
Attn: Darin C. Savage  
214 McKenzie St.  
Santa Fe, NM 87501

Dear Mr. Savage:

Reference Number: Billiken – 20792  
Application of Devon Energy Production Company, LP for  
horizontal spacing and compulsory pooling, Lea County, NM

I am writing to you in my capacity as the Managing Member of the Rubie Crosby Bell Family LLC, which was formerly the Rubie Crosby Bell Family Limited Partnership No. 1. The partnership was converted to a Louisiana LLC in May of 2013 and the conversion was subsequently recorded in the public records of Lea County, New Mexico. I enclose a copy of the recorded conversion documents for your reference. The correct address is the post office box address in the above letterhead.

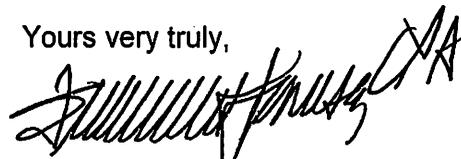
First, this LLC has no objection to the Devon application as described and documented in your mailing of September 10, 2019.

Please correct your records to indicate the correct name and current address of the Rubie Crosby Bell Family LLC so that any future mailings are received in a timely manner. This certified mail document was provided to me by the current resident at the old address of 1331 Third Street in New Orleans.

Devon Energy Production Company, LP currently pays this LLC production revenue from several unrelated properties under owner #039193 01. The Devon records for this owner number contain the correct name and address for the LLC. Please make certain that the personnel at Devon know that the interests described in your letter should be placed under the existing owner number should there be any resultant production revenue.

Please indicate receipt of this information by signing the enclosed copy of this letter and returning that signed copy to me using the envelope provided.

Yours very truly,



Frank Robert Janusa, CPA  
Managing Member

FRJ/ddl  
Encl.  
Ptrshp 2019: RCB FLLC Devon Billiken pooling change request

RECEIVED BY: \_\_\_\_\_ DATE RECEIVED: \_\_\_\_\_

Street Address: 211 20th Street, New Orleans, LA 70124-1235

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COPY

# Affidavit of Publication

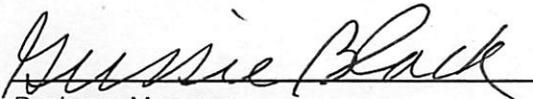
STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

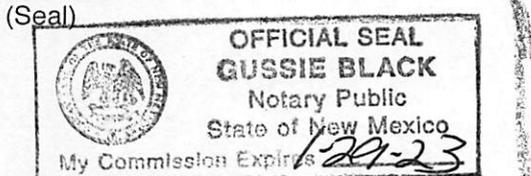
Beginning with the issue dated  
September 14, 2019  
and ending with the issue dated  
September 14, 2019.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
14th day of September 2019.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL**                      **LEGAL**

**LEGAL NOTICE**  
SEPTEMBER 14, 2019

**CASE No. 20792:** Notice to all affected parties and persons having any right, title interest or claim to this case, including overriding royalty interest owners, as well as the known and unknown heirs, devisees and successors of CHEVRON U.S.A. INC., OCCIDENTAL PERMIAN LIMITED PARTNERSHIP, MORRIS SCHERTZ and HOLLY K. SCHERTZ, ROLLA R. HINKLE III, MADISON M. HINKLE, CHARMAR, LLC, RICHARD C. DEASON, THOMAS D. DEASON, RONALD H. MAYER, TRUSTEE OF THE RONALD H. MAYER AND MARTHA M. MAYER REVOCABLE TRUST dated March 19, 1990, as amended, SAP, LLC, DMA, INC., WELLS FARGO BANK, TRUSTEE of the ROBERT N. ENFIELD REVOCABLE TRUST dated 7/3/2001, HOWARD A. RUBIN, INC., RUBIE C. BELL FAMILY LIMITED PARTNERSHIP #1, BRYAN BELL FAMILY LIMITED PARTNERSHIP #1, PONY OIL OPERATING, LLC, TD MINERALS LLC, MERPEL, LLC, the Estate of VIRGINIA V. WATT, deceased, of Devon Energy Production Company, L.P.'s applications for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on October 3, 2019, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) creating a standard horizontal spacing and proration unit comprised of Lots 1 - 4 and the E/2 W/2 of Section 6 and Lots 1 - 4 and the E/2 W/2 of Section 7, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, encompassing 644.08 acres, more or less, and (2) pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S263504N; WOLFCAMP [98117]) underlying the unit. Said horizontal spacing unit is to be dedicated to the proposed **Billiken 7-6 Fed Com 6H Well**, to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7, approximately 294' FSL and 1,248' FWL, to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 6, approximately 20' FNL and 1000' FWL. This well defines the HSU. Also proposed to be drilled are: (1) **Billiken 7-6 Fed Com 5H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Lot 4) of Section 7, 294' FSL and 1,218' FWL, to a bottom hole location in the NW/4 NW/4 (Lot 1) of Section 6, approximately 20' FNL and 360' FWL; (2) **Billiken 7-6 Fed Com 7H Well** to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 7, approximately 294' FSL and 2,191' FWL, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 6, approximately 20' FNL and 1,640' FWL; and (3) **Billiken 7-6 Fed Com 8H Well** to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 7, approximately 294' FSL and 2,221' FWL, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 6, approximately 20' FNL and 2280' FWL. The completed intervals and first take and last take points for all wells proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; to the extent necessary, Devon will utilize proximity tracts. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 4 miles southwest of Eunice, New Mexico.  
#34697

67115820

00233478

KAIYA TOOP  
ABADIE SCHILL  
214 McKENZIE  
SANTA FA  
NM, NM 87501



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