

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

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

Application of Devon Energy	Case Nos. 22179
Production Company, L.P.,	22180
for Compulsory Pooling	22181
Eddy County, New Mexico	22182

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, OCTOBER 7, 2021

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Dylan Rose-Coss, Technical Examiner, on Thursday, October 7, 2021, via Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane  
New Mexico CCR #122  
PAUL BACA COURT REPORTERS  
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A P P E A R A N C E S

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C O N T E N T S .

CASE NOS. 22179, 22180, 22181, 2219	PAGE
CASES CALLED:	3
SET FOR HEARING DECEMBER 2, 2021	9

1 (Time noted 8:24 a.m.)

2 EXAMINER BRANCARD: Let us move on, then, to  
3 Items 3 through 6.

4 This is Cases 22179, 22180, 22181, 22182,  
5 Devon Energy Production, Sneaky Snake.

6 Devon.

7 MR. FELDEWERT: May it please the examiner,  
8 Michael Feldewert with the Santa Fe office of Holland &  
9 Hart here, appearing on behalf of the Applicant.

10 EXAMINER BRANCARD: All right. Then we have  
11 Cimarex Energy.

12 Good morning, Mr. Examiner. Deana Bennett  
13 from Modrall Sperling on behalf of Cimarex Energy.

14 EXAMINER BRANCARD: Thank you. ConocoPhillips.

15 MS. MUNDS-DRY: May it please the examiner,  
16 Ocean Munds-Dry for ConocoPhillips.

17 EXAMINER BRANCARD: Are there any other  
18 interested persons for Cases 22179, -180, -181, -182?  
19 (Note: Pause.)

20 Hearing none, Mr. Feldewert, where are we  
21 on this?

22 MR. FELDEWERT: Mr. Examiner, on these pooling  
23 cases we are seeking to pool and create -- seeking to pool  
24 a spacing unit for three-mile wells, both in the Bone  
25 Spring and the Wolfcamp Formation underlying the west half

1 of Sections 12, 13 and 24 in 23 South, 32 East.

2 Cimarex has recently appeared. They have  
3 objected to the matter proceeding by affidavit. I  
4 understand that they have proposed wells that overlap in  
5 Section 12 with the spacing units that Devon seeks to  
6 create. Section 12 is actually owned by Devon and  
7 ConocoPhillips.

8 I know these wells were proposed by Cimarex  
9 in July. I am not aware whether they have filed competing  
10 pooling applications yet or if they intend to do so, but  
11 given that they have objected to these matters proceeding  
12 by affidavit we are at the point where we need to schedule  
13 a hearing.

14 EXAMINER BRANCARD: Ms. Bennett, do we have  
15 competing cases?

16 MS. BENNETT: We're in the process of preparing  
17 the competing applications and will be filing those in the  
18 very near term. So Mr. Feldewert is correct, those aren't  
19 yet -- they haven't yet been filed, but we are preparing  
20 the applications and we will be filing them in the near  
21 term.

22 And so I would suggest that we consider  
23 setting the cases for a hearing in -- on the January  
24 continuance docket to allow the parties time to review  
25 each other's materials, and then have a hearing after the

1 parties have attempted to review the applications that  
2 Cimarex will be filing, and the cases can be consolidated.

3 EXAMINER BRANCARD: Okay. And do you have any  
4 idea when Cimarex might file its competing applications?

5 MS. BENNETT: We are drafting them now, so it  
6 should be soon, but I can't say exactly when.

7 EXAMINER BRANCARD: Okay.

8 Ms. Munds-Dry, Conoco.

9 MS. MUNDS-DRY: We are here for the ride,  
10 Mr. Brancard. We are looking forward to seeing which  
11 party comes out on top. So we are here just staying  
12 neutral today.

13 EXAMINER BRANCARD: All right.

14 I don't mind setting this for the January  
15 20th docket. I just sort of need to know what cases we  
16 need to add on to it.

17 So I guess I can wait on the Prehearing  
18 Order a little bit if you think that's happening soon, Ms.  
19 Bennett.

20 MS. BENNETT: Yes. I'm sorry, Mr. Feldewert.

21 EXAMINER BRANCARD: Mr. Feldewert.

22 MR. FELDEWERT: So I have a couple of  
23 observations.

24 Both these wells were proposed in July.  
25 They appeared in these cases a week or so ago and

1     contested them moving forward. I don't understand why the  
2     competing applications weren't filed, you know, at this  
3     last round for the November docket. I don't see why they  
4     could not be filed so we could be in a position where we  
5     could proceed in the December docket.

6                     I mean, if they are going to object, if  
7     they are going to propose wells they need to file the  
8     competing pooling applications so we can get these cases  
9     moving forward.

10                    EXAMINER BRANCARD: I would certainly want to  
11     see these applications filed soon so we can make this sort  
12     of a cleaner Prehearing Order here, but, Ms. Bennett,  
13     December, January? How is your client working on this?

14                    MS. BENNETT: Well, I know that we would prefer  
15     the January continuance docket date, but I also defer to  
16     the Division in terms of which docket we end up on. I  
17     think that either one of the December or the January  
18     continuance docket dates applications would be filed and  
19     Notice would have been sent out in time for either the  
20     December continuance date or the January continuance date.  
21     It's just a matter of whether the parties will have had a  
22     chance to review the materials and prepare for the  
23     hearing.

24                    EXAMINER BRANCARD: Okay. So just so everybody  
25     knows, our options basically the nearest dates are

1 December 2nd, which is the first docket, December 16 is  
2 already booked, January 6th or January 20th.

3 MS. BENNETT: With that in mind I would suggest  
4 either January 6th or January 20 from Cimarex's  
5 perspective.

6 EXAMINER BRANCARD: Mr. Feldewert?

7 MR. FELDEWERT: We would prefer December 2nd,  
8 Mr. Brancard.

9 EXAMINER BRANCARD: Well --

10 MR. FELDEWERT: And I say that, (A) because we  
11 are the Applicant; (B) because these well proposals have  
12 been out there since July; and (C) there's no reason why  
13 we shouldn't be able to accelerate this if and when it's  
14 available, so that, you know, the parties can move forward  
15 with their development plans.

16 EXAMINER BRANCARD: You know, I'm just a little  
17 concerned about, you know, other interested parties having  
18 at least 30-days plus to review the competing proposals  
19 here. And while I appreciate your concerns, Mr.  
20 Feldewert, the Commission gets mad at me if I don't have  
21 all the competing cases heard at the same time.

22 MR. FELDEWERT: Well, let me --

23 All right. Well, hold on. Let's back up a  
24 minute.

25 They could be filed and they could be heard

1 in timely fashion on the December docket. All of the  
2 parties have had the competing well proposals in front of  
3 them since July.

4 EXAMINER BRANCARD: Ms. Bennett, have your  
5 clients sent out competing well proposals already?

6 MS. BENNETT: They have, yes.

7 EXAMINER BRANCARD: So it's just the filing the  
8 application for the compulsory pooling that hasn't  
9 happened?

10 MS. BENNETT: That's right.

11 EXAMINER BRANCARD: All right. Let's wing it  
12 then. December 2nd it is for hearing.

13 MS. BENNETT: Thanks.

14 And I guess the one thing.

15 And Mr. Feldewert may have already  
16 conferred with Devon about his witnesses, for availability  
17 for that date. I understand it's set for December 2nd. I  
18 just need to confer with Cimarex about their availability  
19 for that date, which I will do promptly.

20 EXAMINER BRANCARD: All right. Let us know if  
21 there are problems.

22 Okay. Are there any other comments or  
23 concerns about Cases 22179, -180, -181, -182? (Note:  
24 Pause.)

25 Hearing not, these cases will be set or

1 hearing on December 2nd. And I will issue a Prehearing  
2 Order and hopefully we will get you, Cimarex will get its  
3 applications in so we can do a combined Prehearing Order.  
4 If not, I can amend it, I guess. It's just a piece of  
5 paper. Thank you.

6 MR. FELDEWERT: Thank you, Mr. Examiner.

7 MS. BENNETT: Thank you.

8 (Time noted 8:30 a.m.)

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1 STATE OF NEW MEXICO )  
2 : ss  
3 COUNTY OF TAOS )

5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter  
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday,  
8 October 7, 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  
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