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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:

CASE NOS: 21099

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY LP FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MARCH 5, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH KATHLEEN MURPHY, PHILLIP GOETZE, on Thursday, March 5, 2020 at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street, NW, Suite 105

Albuquerque, NM 87102

505-843-9241

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| 1 | APPEARANCES | |
| 2 | For the Applicant: | |
| 3 | KAITLYN LUCK HOLLAND & HART | |
| 4 | 110 North Guadalupe, Suite 1 Santa Fe, NM 87501 | |
| 5 | 505-954-7286 | |
| 6 | For XTO Energy: | |
| 7 | ANDY BLANCO HINKLE SHANOR LLP | |
| 8 | P.O. Box 0268 Santa Fe, NM 87504 | |
| 9 | 505-982-4554 | |
| 10 | I N D E X | |
| 11 | CASE CALLED | 03 |
| 12 | SUMMARY OF CASE AND EXHIBITS | 04 |
| 13 | TAKEN UNDER ADVISEMENT | 04 |
| 14 | REPORTER CERTIFICATE | 05 |
| 15 | EXHIBIT INDEX | |
| 16 | | Admitted |
| 17 | All Exhibits and Attachments | 04 |
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1 HEARING EXAMINER ORTH: We have then matter

- 2 21099, this is Devon Energy, compulsory pooling matter
- 3 relating to the well Thoroughbred.
- 4 MS. LUCK: It's me, Kaitlyn Luck with the
- 5 Santa Fe office of Holland & Hart.
- 6 MR. BLANCO: Andy Blanco appearing on behalf of
- 7 XTO Energy. XTO has no objection to the case being
- 8 presented by affidavit.
- 9 HEARING EXAMINER ORTH: Thank you, Mr. Blanco.
- 10 MS. LUCK: Thank you. As mentioned Devon Energy
- 11 would like to present this case by affidavit, and so before
- 12 I'm presenting you with the exhibit packet that included all
- 13 of the standard exhibits as required by the Division,
- 14 including the land and geology affidavit.
- So this is a standard pooling case, so we
- 16 provided you with the description of the spacing unit that
- 17 we are seeking approval for as well, as the geology. And
- 18 then behind Tab E is another affidavit from our office
- 19 reflecting that notice of this hearing was timely provided.
- 20 And then behind Tab F is the notice of publication
- 21 reflecting that notice of this hearing was provided and
- 22 wells the where are to be located.
- 23 Of course behind Tab A is the checklist for this
- 24 case.
- 25 HEARING EXAMINER ORTH: Questions, Ms. Murphy?

Page 4 EXAMINER MURPHY: Two wells, one -- when are 1 2 the -- the pools? MS. LUCK: They are two wells, and these are both 3 Purple Sage Wolfcamp in Eddy County. EXAMINER MURPHY: I have no further questions, 5 6 thank you. 7 MS. LUCK: Thank you. With that I move the 8 admission of these exhibits and ask the case be taken under 9 advisement. HEARING EXAMINER ORTH: The exhibits are admitted 10 and the case will be taken under advisement. 11 12 (Exhibits admitted.) 13 (Taken under advisement.) 14 15 16 17 18 19 20 21 22 23 24 25

Page 5 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 6 I, IRENE DELGADO, New Mexico Certified Court 7 Reporter, CCR 253, do hereby certify that I reported the 8 foregoing proceedings in stenographic shorthand and that the 9 foregoing pages are a true and correct transcript of those 10 proceedings that were reduced to printed form by me to the best of my ability. 11 12 I FURTHER CERTIFY that the Reporter's Record of 13 the proceedings truly and accurately reflects the exhibits, 14 if any, offered by the respective parties. 15 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties of attorneys in this case 16 and that I have no interest in the final disposition of this 17 18 case. Dated this 5th of March 2020. 19 20 2.1 Irene Delgado, NMCCR 253 License Expires: 12-31-20 22 23 2.4 25