

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: 21126, 21127

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
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A P P E A R A N C E S

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I N D E X

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All Exhibits and All Attachments	06

1 HEARING EXAMINER ORTH: So I believe our final
2 affidavit cases are the next two, although the docket sheet
3 shows that a hearing was anticipated, as I understand it,
4 that may not be the case, so let's see.

5 21126 and 21127, Devon Energy, one relates to a
6 well named Shetland 2, one relates to a well Shetland 1. I
7 have at least three intervenors enter appearances here.

8 MS. LUCK: Kaitlyn Luck with the Santa Fe office
9 of Holland & Hart on behalf of the applicant in this case,
10 Devon Energy Production LP.

11 HEARING EXAMINER ORTH: Are you presenting one at
12 a time?

13 MS. LUCK: I would like to present both of these
14 two cases together.

15 HEARING EXAMINER ORTH: Other appearances.

16 MR. HOUGH: Lance half from from Modrall Sperling
17 on behalf of EOG Resources Inc. EOG doesn't have any
18 objection to the cases being taken by affidavit.

19 Just one clarification I want to make, submitted
20 on behalf of EOG, a prehearing statement requesting some
21 modifications to language in the order. Our parties reached
22 a recent, agreement so we are withdrawing that agreement and
23 we are back to the standard order.

24 HEARING EXAMINER ORTH: Mr. Blanco.

25 MR. BLANCO: Andy Blanco with Hinkle Shanor I

1 appearing on behalf of XTO. We don't have any objection to
2 the case being presented by affidavit.

3 HEARING EXAMINER ORTH: Do we have Mr. Fulson
4 present?

5 (No response.)

6 HEARING EXAMINER ORTH: Okay. Ms. Luck.

7 MS. LUCK: Thank you. And it's my understanding
8 that Devon was also able to reach a voluntary agreement with
9 Mr. Fulson, so he was withdrawing his objection that he
10 previously filed.

11 HEARING EXAMINER ORTH: All right. Thank you for
12 that.

13 MS. LUCK: And I also wanted to state on the
14 record it is also Devon's understanding that there is
15 voluntary agreement reached with EOG, and so we are asking
16 there is not any additional or different terms included in
17 the pooling order.

18 HEARING EXAMINER ORTH: Okay, thank you. So
19 these two cases involve acreage in Sections 2 and 11, and in
20 Township 26 South, Range 31 East in Eddy County, New Mexico.

21 The first case 21126 relates to E/2 of the
22 section and the second case relates to the W/2. In both of
23 these cases Devon is seeking to pool standard spacing units
24 in the Purple Sage Wolfcamp in Eddy County and to dedicate
25 the spacing unit to several wells.

1 Before you I have presented the standard
2 exhibits. So behind Tab C is the affidavit of Devon's
3 landman, and then behind Tab D is the affidavit of Devon's
4 geologist. And then behind Tab E is a notice affidavit
5 reflecting that our office provided timely notice of this
6 hearing to the parties to be pooled.

7 There are also interest owner we are not sure we
8 have addresses for so behind Tab F we provided a notice of
9 publication reflecting that notice was timely published of
10 this hearing as well.

11 And I don't think there is any other issues out
12 of the ordinary with this one. So with that, I would just
13 ask that the case be taken under advisement and move the
14 admission of the exhibits.

15 HEARING EXAMINER ORTH: Thank you. Ms. Murphy?

16 EXAMINER MURPHY: So the Purple Sage in two-mile
17 laterals.

18 MS. LUCK: That's correct.

19 EXAMINER MURPHY: Standard location?

20 MS. LUCK: That's correct.

21 EXAMINER MURPHY: I have no further questions.

22 HEARING EXAMINER ORTH: Mr. Goetze, questions?

23 EXAMINER GOETZE: No questions. Thank you.

24 HEARING EXAMINER ORTH: All right. Thank you,
25 Ms. Luck. The packet is accepted and the matter will be

1 taken under advisement.

2 HEARING EXAMINER ORTH: Let's take a 15-minute
3 break, and when we return we will hear the three matters I
4 understand we will hear witnesses from, matters 21090 first,
5 and then 21129, and then -- let's see, there was one more.
6 21117. Thank you.

7 (Exhibits admitted.)

8 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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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
11 best of my ability.

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
16 nor related to any of the parties or attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 5th of March 2020.

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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