

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:

Applicaton by Devon Energy  
Production Company for a  
Horizontal Spacing and  
Proration Unit, and Compulsory  
Pooling, Lea County,  
New Mexico

Case Nos. 21396, 21397,  
21398, 21399

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS.

EXAMINER HEARING

THURSDAY, OCTOBER 22, 2020

This matter came on for hearing before the  
New Mexico Oil Conservation Division, FELICIA ORTH,  
Hearing Examiner, LEONARD LOWE, Technical Examiner,  
via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane  
New Mexico CCR No. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102.  
(505) 843-9241



1 (Time noted 8:45 a.m.)

2 HEARING EXAMINER Orth: Let's move, then, to the  
3 next matters which are affidavit matters, 21396, 21397,  
4 21398, and 21398. Devon Energy is the Applicant for  
5 compulsory pooling. The name of the well is Red Bull.

6 Mr. Savage, is that you from Abadie &  
7 Schill?

8 MR. SAVAGE: Yes, Madam Examiner. Darin Savage  
9 with Abadie & Schill's Santa Fe office appearing on behalf  
10 of Devon Energy Production Company, LLP.

11 HEARING EXAMINER ORTH: Thank you. Let me  
12 pause for a moment to see if there are any other  
13 appearances. I didn't see any in the file. No.

14 We have your Prehearing Statement. If you  
15 would please go ahead.

16 MR. SAVAGE: Yes. We are representing in  
17 consolidated form Cases 21396, 21397, 21398 and 21399.  
18 These cases cover Sections 30 and 31, Township 23 South,  
19 Range 35 East, Lea County, New Mexico, and they all  
20 propose to pool all uncommitted interests in the Bone  
21 Spring Formation, specifically Antelope Ridge Bone Spring  
22 with Pool Code 2200

23 The landman Andy D. Bennett and geologist  
24 Tom Peryam for these cases have both testified before the  
25 Division and their credentials have been accepted and made

1 a matter of record.

2 In case 21396 Devon seeks an Order for  
3 creating a standard 320-acre spacing unit comprised of he  
4 east half/east half of said sections and pooling all  
5 uncommitted interests in the Bone Spring Formation.

6 The unit will be dedicated to the Red Bull  
7 30-31 Fed. State Com 4H well. Orientation of the well  
8 well is stand-up, north to south, and all setback  
9 requirements under statewide rules are met.

10 Mr. Bennett's exhibit for Case 21396  
11 includes his landman affidavit, the C-102s, the ownership  
12 breakdown, The well Proposal Letter with than AFE, and a  
13 chronology of contacts showing good faith negotiations.

14 Mr. Peryam's Exhibit B for this case  
15 includes his geology affidavit, along with the standard  
16 geology exhibits.

17 Exhibit C provides the Affidavit of Notice  
18 for mailings and Publication Notice. Notice was timely  
19 sent and published.

20 Mr. Bennett and Mr. Peryam affirm that the  
21 approval of this application is in the best interest of  
22 conservation, protection of correlative rights and  
23 prevention of waste, and will prevent the drilling of  
24 unnecessary wells.

25 In Case 21397 Devon seeks an Order creating

1 a standard 320-acre spacing unit comprised of the east  
2 half/west half of said sections and pooling all  
3 uncommitted interests in the Bone Spring Formation.

4 This unit will be dedicated to the Red Bull  
5 30-31 Fed. State Com 2H well. Orientation of the well is  
6 stand up north to south, and all setback requirements  
7 under statewide rules are met.

8 Mr. Bennett's Exhibit A for 21397 includes  
9 his landman affidavit, the C-102s, and ownership  
10 breakdown, the Well Proposal Letter with AFE, and a  
11 Chronology of Contacts showing good faith negotiations.

12 Mr. Peryam's Exhibit B for this case  
13 includes his geology affidavit along with the standard  
14 geology exhibits.

15 Exhibit C provides the Affidavit of Notice  
16 for Mailings and Publication Notice. Notice was timely  
17 sent and published.

18 Mr. Bennet and Mr. Peryam affirm the  
19 approval of this application is in the best interest of  
20 conservation, protection ofcorrelative rights and  
21 prevention of waste will prevent the drilling of  
22 unnecessary wells.

23 Next in case 21398, Devon seeks an Order  
24 creating a standard 320-acre spacing unit comprised of the  
25 west half/east half of said sections, and pooling all

1 uncommitted interests in the Bone Spring Formation. This  
2 unit will be dedicated to the Red Bull 30-31 Fed State Com  
3 3H well. Orientation of the well is stand-up north to  
4 south, like the others, and all setback requirements under  
5 the statewide rules are met.

6 Mr. Bennett's Exhibit A for Case 21398  
7 again includes his affidavit, the C-102s, the ownership  
8 breakdown, the well Proposal Letter with AFE and a  
9 Chronology of Contacts showing good faith negotiations;  
10 and likewise Mr. Perryman's Exhibit B for this case  
11 includes his geology affidavit along with the standard  
12 geology exhibits.

13 Exhibit C provides the Affidavit Of Notice  
14 for mailings and publication, and Notice was timely sent  
15 and published.

16 Again Mr. Bennett and Mr. Peryam affirm  
17 that the approval of this application is in the best  
18 interests of conservation, protection of correlative  
19 rights, and the prevention or waste, and will prevent the  
20 drilling of unnecessary wells.

21 Then lastly, Case 21399, it's very similar  
22 to the others. It seeks an Order creating a standard  
23 316.4-acre, more or less, spacing unit comprised of the  
24 west half/west half of said sections and pooling all  
25 uncommitted interests in the Bone Spring Formation.

1                   The west half/west half contains correction  
2 lots in each section, Lots 1 through 4.

3                   The unit will be dedicated to the Red Bull  
4 30-31 Fed State Com 3H well. Again orientation of this  
5 well is stand-up north to south, and all setback  
6 requirements under statewide rules are met.

7                   Mr. Bennett's exhibits, similarly to the  
8 other cases, includes his landman affidavit, the C-102s  
9 and ownership breakdown, the Well Proposal Letter with  
10 AFEs and the Chronology of Contact showing good  
11 faith-negotiations.

12                  Mr. Peryam's Exhibit B includes his geology  
13 affidavit along with standard geology exhibits.

14                  Exhibit C provides the Affidavit of Notice  
15 and Publication. Again Notice was timely sent and  
16 published.

17                  Both Mr. Bennett and Mr. Peryam affirmed  
18 that the approval of this application is in the Best  
19 interests of conservation, protection of correlative  
20 rights, and the prevention of waste, and will prevent the  
21 drilling of unnecessary wells.

22                  At this time I ask that Exhibits A, B and C  
23 and all sub exhibits included, be accepted into the record  
24 for Cases 21396, 21397, 21398, and 21399, and that these  
25 cases be taken under advisement.

1 I'm available for any questions regarding  
2 these cases. Thank you.

3 HEARING EXAMINER ORTH: Thank you, Mr. Savage.

4 Mr. Lowe, do you have any questions around  
5 these four matters?

6 MR. LOWE: I have one question.

7 Were all parties that were involved in  
8 here, all locatable?

9 MR. SAVAGE: Yes, they're all locatable, and the  
10 mailing report shows that the mailings were successful.

11 MR. LOWE: Okay. That's all I have for now.  
12 Thank you.

13 MR. SAVAGE: Okay. Thank you, Mr. Lowe.

14 HEARING EXAMINER ORTH: Thank you Mr. Lowe and  
15 Mr. Savage.

16 Your exhibits are accepted and these four  
17 matters are taken under advisement.

18 (Time noted 8:50 a.m.)

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, October

8

22, 2020, the proceedings in the above-captioned matter

9

were taken before me; that I did report in stenographic

10

shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and Correct transcription to

12

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

22

License Expires: 12/31/2020

23

24

25