

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: 21633

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY LP
TO AMEND ORDER R-21261 FOR A ONE YEAR EXTENSION
OF THE WELL COMMENCEMENT DEADLINE,
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

FEBRUARY 4, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER FELICIA ORTH and TECHNICAL EXAMINER KURT SIMMONS on Thursday, February 4, 2021, via Webex virtual platform as hosted by the New Mexico Energy, Minerals, and Natural Resources Department, 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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A P P E A R A N C E S

For the Applicant:

ABADIE & SCHILL, PC
DARIN C. SAVAGE
214 McKenzie Street
Santa Fe, NM 87501
970-395-4401
darin@abadieschill.com

I N D E X

CASE CALLED

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

E X H I B I T I N D E X

Admitted

All Exhibits and Attachments 05

1 HEARING OFFICER ORTH: Let me begin then with the
2 first matter. This is case 21633, Devon Energy is the
3 applicant, a request to amend an order. The well name is
4 Danger Noodle.

5 Applicant's counsel is Abadie & Schill. I see
6 Mr. Savage. I saw no other entries of appearance. Let me
7 pause for a moment in the event there are other entries of
8 appearance.

9 (No audible response.)

10 HEARING EXAMINER ORTH: No? I saw that the
11 applicant filed a prehearing statement and intends to
12 present the matter by affidavit. Mr. Savage?

13 MR. SAVAGE: Good morning, Madam Examiner. I
14 think that's a dangerous process, Danger Noodle, with a name
15 like that.

16 Good morning, Mr. Simmons, Darin Savage with
17 Abadie & Schill, Santa Fe office, appearing on behalf of
18 Devon Energy Production Company. In Case 21633 Devon seeks
19 to reopen case 20962 and amend order Number R-21621 in order
20 to request a one-year extension of the well commencement
21 deadline for the pool unit in the Bone Spring formation
22 underlying the W/2 of Sections 20 and 29, Township 23 South,
23 Range 33 East, Lea County, New Mexico. That's been
24 dedicated to Danger Noodle 29-20 Fed Com well.

25 The pooling order, a copy of which is provided in

1 the reference section of the hearing packet, allows for a
2 time extension upon showing of good cause. In Exhibit A of
3 the hearing packet, landman Mr. Andy Bennett who is familiar
4 with the subject lands and unit and his credentials have
5 been previously accepted as an expert witness in
6 professional land matters testifies by affidavit that Devon
7 is in good standing under the statewide rules and the
8 existing pooling order and there exists good cause to grant
9 the time extension requested.

10 Devon, in good faith, has made diligent
11 substantial progress towards the development of the unit and
12 has achieved operating agreements with all the interest
13 owners except one remaining small working interest owner.

14 Devon has experienced delays in logistical issues
15 in its drilling plan beyond its control due to difficult
16 market conditions and setbacks caused by Covid-19
17 conditions. Devon is committed to development of the unit
18 in the Bone Spring formation.

19 Devon will continue to work with remaining
20 uncommitted working interest owner and respectfully requests
21 the opportunity to move forward without interruption under a
22 one-year time extension.

23 Exhibit B of the hearing packet shows that notice
24 for this hearing was timely. The mailing report shows
25 notice letters were received by the interest owners with ten

1 unlocatable parties being unresponsive for which Devon made
2 timely publication of notice to account for such parties.
3 Examples of the notice letter and the newspaper publication
4 are provided in Exhibit B, along with the affidavit of
5 notice.

6 At this time we request that Exhibits A and B and
7 all related sub exhibits be accepted into the record and
8 that Devon's request for a one-year time extension in this
9 application be taken under advisement, and I want to thank
10 you.

11 HEARING EXAMINER ORTH: Thank you, Mr. Savage.
12 Exhibits A and B are accepted with all of their sub
13 exhibits. Mr. Simmons, do you have questions of Mr. Savage?

14 TECHNICAL EXAMINER SIMMONS: No, thank you.
15 Everything seems to be in order.

16 HEARING EXAMINER ORTH: Thank you very much, Mr.
17 Savage. The matter will be taken under advisement.

18 (Exhibits admitted.)

19 (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 virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to reasonable quality.

17 Dated this 4th day of February 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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