

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: 21671

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

CASE NOS: 21672

APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY LP TO AMEND ORDER R-21562,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
March 4, 2021
Santa Fe, New Mexico

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on
Thursday, March 4, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

KAITLYN LUCK
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 06

REPORTER CERTIFICATE 07

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

Admitted

All Exhibits and Attachments 06

1 HEARING EXAMINER ORTH: The next two matters are
2 21671 and 21672. Devon Energy is the applicant, one is a
3 compulsory pooling application. The other is an application
4 to amend a previous order. The well name is Blondie. Who
5 is hear from Holland & Hart for the applicant?

6 MS. LUCK: Good morning, Madam Examiner. Kaitlyn
7 Luck with the Santa Fe office of Holland & Hart on behalf of
8 the applicant in these cases, Devon Energy Production.

9 HEARING EXAMINER ORTH: Good morning. I didn't
10 see any other entries in the record. Let me pause for a
11 moment in the event there are some this morning.

12 (No audible response.)

13 HEARING EXAMINER ORTH: No? Go ahead, please.

14 MS. LUCK: Thank you. These two cases were filed
15 for this hearing date by Devon Energy in order to create a
16 large spacing unit underlying the west -- underlying --
17 excuse me -- Section 10, in Section 3 as well as the N/2 of
18 Section 15, and that's in Township 26 South, Range 34 East
19 in Lea County, New Mexico.

20 Before you, you should have a packet of exhibits
21 that were filed with the Division on Tuesday. In that
22 packet you will find the affidavit of Devon's landman who is
23 Tim Prout, and Tim has previously testified before the
24 Division and his affidavit is attached as Exhibit C.

25 You will see that he explains in his affidavit

1 that Devon initially applied for and received approval on a
2 standard horizontal spacing unit for one and a half mile
3 wells under Order R-21562. And so in Case Number 21672,
4 Devon seeks to enlarge that spacing unit to include also the
5 W/2 of Section 3.

6 That order was entered originally on December 9
7 in Case 21534, and it created a 480 acre spacing unit, but
8 it did not originally include the W/2 of Section 3, so now
9 in Case 21562, Devon seeks to amend Order 2 -- excuse me --
10 in Case 21672, Devon seeks to amend Order 21562 to include
11 that additional W/2 acreage of Section 3.

12 Mr. Prout's affidavit goes on to explain the
13 spacing unit under that approved order will be dedicated to
14 the same wells, the Blondie 2H through 5H wells with the 2H
15 and 5H wells being the proximity tract wells. Mr. Prout's
16 affidavit also provides the C-102s for each of those wells
17 that indicate the wells are located in the Pool 982150.

18 In Case 21671, Devon is seeking an order pooling
19 all uncommitted interest in the Wolfcamp formation also, and
20 to create a standard 800 acre standard horizontal spacing
21 unit including the E/2 of Sections 3 and 10 in the NE/4 of
22 Section 15.

23 In this case Devon seeks to dedicate the spacing
24 unit to the Blondie 6H, 7H, 8H, 9H and 11H wells. And each
25 of the C-102s for those wells are provided as Devon Exhibit

1 C-3. Mr. Prout also provides with his affidavit land and
2 unit recaps for each of these spacing units providing the
3 interest owners that Devon seeks to pool, as well as a
4 sample of the well proposal letters and the efforts that
5 Devon made to voluntarily join each of the interest owners.

6 In your exhibit pack you will also find as
7 Exhibits A and B the checklist and the applications for each
8 case.

9 And then moving on to Devon Exhibit D, that would
10 be the affidavit of Russell Goodin who is the geologist for
11 Devon in this case. He has previously testified before the
12 Division, and he provides the standard geology exhibits,
13 including a structure map, a cross section map, and a 3-D
14 spacing unit diagram for each each of the spacing units in
15 Cases 21671 and 21672.

16 And then finally in your packet you will find
17 Devon Exhibits E and F, which include a notice affidavit and
18 a notice of publication reflecting that notice of this
19 hearing was timely provided to each of the interest owners
20 to be pooled in these cases.

21 And with that, I would move the admission of
22 Devon Exhibit A through F and request that these two cases,
23 21671 and 21672 be taken under advisement.

24 HEARING EXAMINER ORTH: Thank you, Ms. Luck. Mr.
25 Lamkin, do you have any questions on these two cases?

1 TECHNICAL EXAMINER LAMKIN: 671, the case that
2 you are wanting to amend, did the new acreage bring in any
3 more owners, offset operators?

4 MS. LUCK: I just want to clarify, the case that
5 we are seeking to amend is 21672, and we typically do file
6 them in numerical order for the wells, but these were filed
7 backwards. So 21672 is the case that we are seeking the
8 order amendment. And in that case, we are seeking to pool a
9 few working interest owners, and those are reflected on
10 Devon Exhibit D-2.

11 TECHNICAL EXAMINER LAMKIN: Okay. I think that
12 covers all my questions.

13 HEARING EXAMINER ORTH: Thank you, Mr. Lamkin.
14 Ms. Luck, Exhibits A through F are admitted and the two
15 matters will be taken under advisement.

16 MS. LUCK: Thank you.

17 (Exhibits admitted.)

18 (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 good quality.

17 Dated this 4th day of March 2021.

18

/s/ Irene Delgado

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

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