

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: 21678

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY LP  
FOR A HORIZONTAL SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
EDDY 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  
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

I N D E X

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

	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER ORTH: Move to case Number  
2 21678. Devon Energy is the applicant, compulsory pooling  
3 non-standard spacing unit. The name of the well is Lone  
4 Tree Draw.

5 Mr. Savage, is that you here for the applicant?

6 MR. SAVAGE: Yes, ma'am. Darin Savage with  
7 Abadie and Schill, Santa Fe office, appearing on behalf of  
8 Devon Energy, Devon Energy Production Company LP.

9 HEARING EXAMINER ORTH: Let me pause for a moment  
10 in the event there are other entries.

11 (No audible response.)

12 HEARING EXAMINER ORTH: No? I understand you are  
13 presenting by affidavit.

14 MR. SAVAGE: That is correct. In Case Number  
15 21678, Devon seeks an order for creating a standard 1280  
16 acre, more or less, spacing unit comprised of Sections 14  
17 and 13, Township 21 South, Range 27 East, Eddy County, New  
18 Mexico, and pooling all uncommitted interests in the  
19 Wolfcamp formation, specifically the Alacran Hills Wolfcamp  
20 Gas Pool, Code 70070.

21 The landman, Andy Bennett, and geologist Joseph  
22 Dixon, are familiar with the application and the lands in  
23 this case, and both have testified before the Division, and  
24 their credentials have been accepted and made a matter of  
25 public record -- a matter of record.

1           The unit in this case will be dedicated to two  
2 wells, the Lone Tree Draw 14-13 State Com 623H well, and the  
3 Lone Tree Drew 14-13 State Com 621H well. Orientation of  
4 the wells is lie down from west to east.

5           The 623H well is the proximity well, and its take  
6 points are properly positioned in the proximity tract in  
7 order to create the larger unit. The wells have  
8 non-standard locations for the gas unit, and Devon will seek  
9 approval for the non-standard locations administratively.

10           Mr. Bennett -- Mr. Bennett's Exhibit A for this  
11 case includes his landman affidavit, the C-102, ownership  
12 breakdown, the well proposal letter with AFEs and chronology  
13 of contacts showing good faith negotiations. APDs for the  
14 wells have been applied for and approved and API numbers  
15 assigned.

16           So Mr. Dixon's Exhibit B for this case includes  
17 his affidavit, along with the five standard geology exhibits  
18 showing the promise of potential of these wells.

19           Exhibit C provides the affidavit of notice for  
20 mailings and publication notice. Notice was both timely  
21 sent and published. Both Mr. Bennett and Mr. Dixon affirm  
22 in their affidavits the approval of this application is in  
23 the best interest of conservation and protection of  
24 correlative rights and prevention of waste and will prevent  
25 the drilling of unnecessary wells.

1           At this time I ask that Exhibits A, B, C and all  
2 sub exhibits be accepted into the record for this case and  
3 that the case be taken under advisement. I'm available at  
4 this time for any questions. Thank you.

5           HEARING EXAMINER ORTH: Thank you, Mr. Savage.  
6 Mr. Lamkin, do you have any questions?

7           TECHNICAL EXAMINER LAMKIN: I just have one  
8 question as a matter of housekeeping. It appears that the  
9 exhibit packet that Devon submitted, it says that the file  
10 was corrupted and it won't let me open it. Can you resubmit  
11 the exhibits for me?

12           MR. SAVAGE: I certainly will. I will do that  
13 after the hearing.

14           TECHNICAL EXAMINER LAMKIN: Thank you very much.

15           HEARING EXAMINER ORTH: Thank you, Mr. Savage.  
16 So subject to the resubmittal, Exhibits A through C are  
17 admitted and the matters will be taken under advisement --  
18 the matter. Excuse me.

19                   (Exhibits admitted.)

20                   (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

19

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

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