

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Applications of Devon Energy Case Nos. 21924, 21925
Production Company, LP, for
Horizontal Spacing Units and
Compulsory Pooling, Eddy County,
New Mexico

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 3, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard Hearing Examiner, Leonard Lowe,
Technical Examiner on June 3, 2021 via the Webex
Videoconferencing Platform

Reported by: Mary Therese Macfarlane
 New Mexico CCR No. 122
 PAUL BACA COURT REPORTERS
 500 Fourth Street NW, Suite 105
 Albuquerque, New Mexico 87102.
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A P P E A R A N C E S

FOR THE APPLICANT DEVON ENERGY PRODUCTION COMPANY, LP:

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1 (Time noted 10:03 a.m.)

2 HEARING EXAMINER BRANCARD: With that I call
3 Cases 21924 and 21925, Devon Energy Production, Abadie &
4 Schill.

5 MR. SAVAGE: Good morning. Darin Savage with
6 Abadie & Schill appearing on behalf of Devon Energy
7 Production Company, LP.

8 HEARING EXAMINER BRANCARD: And I have EOG,
9 Holland & Hart.

10 MR. RANKIN: Good morning, Mr. Examiner. Adam
11 Rankin with the Law Firm of Holland & Hart appearing on
12 both these cases on behalf of EOG Resources, Inc.

13 HEARING EXAMINER BRANCARD: Does EOG have
14 objections to these cases going forward by affidavit?

15 MR. RANKIN: No objection to these cases
16 proceeding by affidavit.

17 HEARING EXAMINER BRANCARD: Thank you. Any
18 other interested parties in Cases 21924, 21925?

19 Hearing none, Mr. Savage you may proceed.

20 MR. SAVAGE: Thank you, Mr. Examiner.

21 We are presenting in consolidated form
22 Cases 21924 and 21925. These cases cover Section 17, 8
23 and 5, Township 23 South, Range 31 East, in Eddy County,
24 New Mexico.

25 The landman Katie Adams for these cases has

1 testified before the Division, her credentials have been
2 accepted and made a matter of record, as well as the
3 geologist's Kasmiri Workman.

4 In case No. 21924 Devon seeks an order
5 creating a standard 399.88-acre spacing unit, Section 5 --
6 correction, comprised of the west half/east half of
7 Section 5 and 8 and the west half/northeast of Section 17
8 and pooling all uncommitted interests in the Bone Spring
9 Formation.

10 The unit has been dedicated to the Figi
11 17-5 Fed Com for the 233H well. Orientation of the well
12 is standup south to north, and all setback requirements
13 under statewide rules are met.

14 Ms. Adams' Exhibit A for Case 21924
15 includes her Landman Affidavit, the C-102, Ownership
16 breakdown, the Well Proposal Letter with AFE, and the
17 Chronology of Contacts showing good faith negotiations.

18 Ms. Workman's Exhibit B for this case
19 includes her Geology Affidavit along with the five
20 standard geology exhibits, showing good potential for
21 development.

22 Exhibit C provides the Affidavit of Notice
23 for mailings and location Notice. Notice was timely sent
24 and published to account for two unlocatable parties, John
25 R. McConn and Khody Land & Minerals, who are overriding

1 royalty interest owners.

2 Both Ms. Adams and Ms. Workman affirm that
3 the approval of this application is in the best interests
4 of conservation, protection of correlative rights and the
5 prevention of waste, and will prevent the drilling of
6 unnecessarily wells.

7 Next, in Case 21925 Devon seeks an Order
8 creating a standard 399.82-acre spacing unit, more or
9 less, comprised of the east half/east half of Sections 5
10 and 8 and the east half/northeast of Section 17, and
11 pooling all uncommitted interest owners in the Bone Spring
12 Formation, as well. The unit will be dedicated to the
13 Figi 17-5 Fed Com 234H well. Orientation of the well is
14 standup, south to north, and setback requirements are met.

15 Ms. Adams again, in Exhibit A -- she
16 combined her exhibits for both cases, but in Case 21925
17 includes her Landman Affidavit, the C-102, an Ownership
18 Breakdown, the Well Proposal Letter and AFE, and a
19 Chronology of Contacts.

20 Ms. Workman's Exhibit B for this case
21 includes her Geology Affidavit along with the five
22 standard geology exhibits. The geology exhibits for both
23 cases are combined in the same exhibits.

24 Exhibit C provides the Affidavit of Notice
25 for mailings and publication, and again it was timely sent

1 and published to account for the two unlocatable parties.

2 Both Ms. Adams and Ms. Workman affirm that
3 the approval of this location is in the best interest of
4 conservation and correlative rights, the prevention of
5 waste, and will prevent the drilling of unnecessary wells.

6 If there are no further questions, I move
7 Exhibits A, B and C and all sub exhibits be accepted into
8 the record for these two cases, and that these cases be
9 taken under advisement.

10 HEARING EXAMINER BRANCARD: First we will start
11 with EOG. Any questions?

12 MR. RANKIN: No questions, Mr. Examiner, and no
13 objection to the admission of the exhibits.

14 HEARING EXAMINER BRANCARD: Thank you.

15 Mr. Lowe.

16 EXAMINER LOWE: I have no questions for
17 Mr. Savage. Thank you.

18 HEARING EXAMINER BRANCARD: Thank you.

19 Once again, any other interested parties in
20 Cases 21924 and 21925? (Note: Pause.)

21 Hearing silence, I will admit the exhibits
22 into the record in these cases and take Cases 21924 and
23 21925 under advisement.

24 MR. SAVAGE: Thank you, Mr. Examiner.

25 (Time noted 10:08 a.m.)

1 STATE OF NEW MEXICO)

2 : SS

3 COUNTY OF TAOS)

4

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 3,

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2021, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

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shorthand the proceedings set forth herein, and the

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foregoing pages are a true and correct transcription to

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the best of my ability and control.

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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

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

License Expires: 12/31/2021

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