

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:

Application of Devon Energy
Productio Company, L.P.,
for compulsory pooling,
Lea County, New Mexico

Case No. 21965

Case No. 21966

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, Legal
Examiner William Brancard, Technical Examiner
Leonard Lowe, on Thursday, June 17, 2021, via
the Webex virtual Conferencing platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA COURT REPORTERS
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1 (Time noted 8:34 a.m.)

2 EXAMINER BRANCARD: With that I want to head
3 into Case 21965, 21966 Devon Energy Production, Nos. 6 and
4 7 on our agenda. Holland & Hart.

5 MS. FELDEWERT: Good morning, Mr. Examiner.
6 Michael Feldewert with the Santa Fe office of Holland &
7 Hart appearing on behalf of the Applicant in these
8 Consolidated Cases 21965 and 21966.

9 EXAMINER BRANCARD: We've an Entry of Appearance
10 for ConocoPhillips.

11 MS. MUNDS-DRY: Mr. Hearing Examiner, Ocean
12 Munds-Dry for ConocoPhillips.

13 EXAMINER BRANCARD: Thank you. Ms. Munds-Dry,
14 do you have any objection to this case going forward by
15 affidavit?

16 MS. MUNDS-DRY: No objection. Thank you.

17 EXAMINER BRANCARD: Thank you. Are there any
18 other parties interested in Cases 21965 and 21966? (Note:
19 Pause.) Hearing none, Mr. Feldewert you may proceed.

20 MS. FELDEWERT: Mr. Examiner, I believe these
21 consolidated cases are seeking to pool two standard
22 horizontal spacing units in the Bone Spring Formation in
23 the east half of Section 17, 23 South, 34 East, to be
24 dedicated to Devon's White Dove wells.

25 So 21965 involves the west half of the east

1 half in the White Dove 23H, and then 21966 involves the
2 east half/east half acreage with the 24H.

3 We have submitted six sets of exhibits.

4 Exhibit A is the filed application in each
5 case.

6 Mr. Brancard, are you still with us? Mr.
7 Brancard?

8 EXAMINER BRANCARD: I am, Mr. Feldewert.

9 MS. FELDEWERT: Okay. Sorry.

10 EXAMINER BRANCARD: Nobody wants to see me
11 drinking coffee so I go off the video.

12 MS. FELDEWERT: That's fine. I just wanted to
13 make sure there.

14 Exhibit B is the Compulsory Pooling
15 Application checklist for each case.

16 Exhibit C is the affidavit of Ryan Cloer.
17 He is a landman for Devon who has testified before.

18 He provides under C-1 the General Location
19 Map for each spacing unit.

20 He provides the draft C-102s for each of
21 the two initially dedicated wells.

22 His C-4 provides the land plat showing the
23 ownership and the parties that seek to be pooled, which
24 includes a group of overriding royalty interest owners.

25 Then Exhibit C-5 is the Well Proposal

1 Letter.

2 And Exhibit C-6 is his Chronology of
3 Contact.

4 Devon Exhibit D is the Affidavit of Thomas
5 Peryam, who is a geologist with the company, who has
6 likewise testified before. Mr. Peryam provides the usual
7 structure map that you see for the subject area. He also
8 has a structural cross section.

9 Perhaps a little bit unusual is that he
10 also provides as his Exhibit D-3 a seismic profile that
11 extends across the east half spacing unit, and on that
12 Exhibit D-3 he identified the location of the spacing unit
13 relative to the profile that he put together. And he
14 notes that he did that due to the lack of well control, or
15 I should say good well logs in the area.

16 So the seismic profile is utilized by him
17 to come to the conclusion that the interval is more or
18 less uniform across the subject area.

19 Exhibit E is our Notice Affidavit. You
20 will see there is a few that are still waiting to be
21 delivered for some reason.

22 So Exhibit F is the Affidavit of
23 Publication for each case, directed by name to all the
24 pooled parties, including the overriding royalty interest
25 owners.

1 So with that we ask that Devon Exhibits A
2 through F be admitted into evidence and this matter be
3 taken, or these matters be taken under advisement.

4 EXAMINER BRANCARD: Thank you.

5 Ms. Munds-Dry, ConocoPhillips, any
6 questions?

7 MS. MUNDS-DRY: No questions. Thank you.

8 EXAMINER BRANCARD: Any objection to the
9 exhibits.

10 MS. MUNDS-DRY: No objection. Thank you,
11 Mr. Examiner.

12 EXAMINER BRANCARD: Mr. Lowe, any questions?

13 EXAMINER LOWE: I have no questions right now.
14 Thank you.

15 EXAMINER BRANCARD: Mr. Feldewert, I caught
16 something at the end of your presentation that something
17 was missing. Is that correct?

18 MR. FELDEWERT: No. Perhaps what I meant to
19 say, maybe didn't say clearly, is that the records for the
20 postal delivery report indicates that there seems to be a
21 few yet to be delivered. So that's why we included the
22 Affidavit of Publication directed by name to all the
23 parties being pooled.

24 EXAMINER BRANCARD: Okay. So we are not waiting
25 for anything for your package for this case.

1 MR. FELDEWERT: No, sir.

2 EXAMINER BRANCARD: Thank you.

3 All right. Is there any other parties with
4 questions or comments on Cases 21965 and 21966? (Note:
5 Pause.) Hearing none, your Exhibits are taken under the
6 advisement -- I'm sorry, your exhibits are admitted and
7 the case is taken under advisement.

8 MR. FELDEWERT: Thank you, Mr. Brancard.

9 (Time noted 8:38 a.m.)

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1 STATE OF NEW MEXICO) .

2 : SS

3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 17,
8 2021, the proceedings in the above-captioned matter were
9 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

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Mary Therese Macfarlane, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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