

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: 21334 - 21336

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
JULY 9, 2020  
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 DYLAN COSS and LEONARD  
LOWE on Thursday, July 9, 2020, 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:

MICHAEL FELDEWERT  
HOLLAND & HART  
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Santa Fe, NM 87501  
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For Titus Oil & Gas:

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1 HEARING EXAMINER ORTH: We will move then to the  
2 next three matters, 21334, 21335, 21336, applicant Devon  
3 Energy Production, compulsory pooling applications for a  
4 well Milligan 618.

5 Let's see, Holland & Hart, Mr. Feldewert?

6 MR. FELDEWERT: Yes, Madam Examiner, Michael  
7 Feldewert with the Santa Fe office of Holland & Hart  
8 appearing on behalf of the applicant Devon Energy Production  
9 Company.

10 HEARING EXAMINER ORTH: Thank you. Let me pause  
11 for a moment to see if there are any other appearances.

12 MS. SHAHEEN: Madam Examiner, this is Sharon  
13 Shaheen on behalf of Titus Oil & Gas.

14 HEARING EXAMINER ORTH: All right. Thank you.  
15 Let me pause to see if there are any others.

16 (No audible response.)

17 HEARING EXAMINER ORTH: Okay. Ms. Shaheen, do  
18 you have any objection to Devon Energy proceeding by  
19 affidavit this morning?

20 MS. SHAHEEN: No, this morning I just noticed  
21 that these cases are on the docket, and I took a quick look  
22 at them and noticed that they are very similar to Case  
23 Numbers 21297 and 21302, and I wanted to clarify what, what  
24 the similarities are.

25 I understand that 21297 -- that neither of those

1 two cases, 97 or 302 have been dismissed. We did enter an  
2 appearance on behalf of Titus Oil & Gas in those two cases,  
3 and so I was hoping to get some clarification from Mr.  
4 Feldewert about the relation of these new cases, 34, 35 and  
5 36 to 297 and 302.

6 And I do want to apologize, but I just noticed  
7 this this morning, and I have not had an opportunity to  
8 confer with my client, but I thought I should clarify and  
9 enter an appearance to reserve Titus's right to seek de novo  
10 review before the commission if there is an issue within the  
11 orders.

12 HEARING EXAMINER ORTH: All right. Mr.  
13 Feldewert?

14 MR. FELDEWERT: Sure. Madam Examiner, Ms.  
15 Shaheen, I think those two cases were the ones that were  
16 continued with the Titus cases; correct?

17 MS. SHAHEEN: That's correct.

18 MR. FELDEWERT: Okay. (Garbled audio) happened  
19 when you visit with your client is that the parties have  
20 agreed to the proposal that we have under the current case  
21 number (garbled audio) mile wells that were developed in  
22 discussions with Titus. So our intent is to (garbled audio)  
23 competing pooling cases subsequent and pending that Titus is  
24 doing the same thing.

25 MS. SHAHEEN: Okay. I will confirm that with my

1 client, and so long as we reserve our right for those de  
2 novo appeals before the commission, Titus has no objection  
3 to Devon moving forward by affidavit at this time.

4 HEARING EXAMINER ORTH: All right. Thank you.  
5 So, Mr. Feldewert, if you would.

6 MR. FELDEWERT: Sure. Madam Examiner, Devon  
7 seeks, in these three cases, Devon seeks orders for two Bone  
8 Spring spacing unit and one Wolfcamp horizontal spacing unit  
9 underlying the W/2 equivalent of irregular Section 7 and the  
10 NW (garbled audio) of irregular Section 8, and these are  
11 going to be roughly two and a half mile (garbled audio).

12 In our hearing package the compulsory pooling  
13 checklist for all three cases and then (garbled audio) for  
14 each case. (Garbled audio) is the affidavit by Joe Hammond  
15 the landman who had testified before this division. And he  
16 describes the units for each case in the proposed initial  
17 wells.

18 And he introduces the exhibits marked as A  
19 through A-5. The only thing (garbled audio) is that you  
20 will notice that (garbled audio) which contains the (garbled  
21 audio) for each of the three in chronological order.

22 There is actually two C-102 (garbled audio) 5H  
23 and two 102H which are Bone Spring wells because there are  
24 two Bone Spring wells involved in this, and therefore those  
25 drafts C-102s (garbled audio) spacing unit between the two

1 pools. That's why you see 5 C-102s instead. (Garbled  
2 audio) the affidavit of exhibit Russell Goodin who is a  
3 geologist who has also previously testified before the  
4 division, that's our B, he introduces and discusses the  
5 structure map and the stratigraphic cross sections as  
6 Exhibit B-1 and B-2 to demonstrate there is no geological  
7 impediments to develop the horizontal wells and  
8 demonstrating (garbled audio) the targeted interval across  
9 the proposed spacing unit.

10 Exhibit C is our notice affidavit, the letters  
11 provided timely notice of this hearing.

12 And Exhibit D is our affidavit of publication for  
13 each case directed by me. Devon was able to (garbled audio)  
14 all the working interest owners that it seeks to pool,  
15 however there are certain overriding royalty interest owners  
16 that the company could not locate despite good-faith  
17 efforts.

18 So with that we ask that Exhibits A, B, C and D  
19 be admitted into the record.

20 HEARING EXAMINER ORTH: All right. Those  
21 exhibits are accepted. Thank you. Let me ask if Mr. Rose  
22 Coss has a question regarding these three matters.

23 TECHNICAL EXAMINER COSS: I guess I suppose I  
24 have some curiosity regarding the negotiations between Devon  
25 here and Titus Oil & Gas. It's not my place at this time to

1 really get into that, so I will just throw that out there,  
2 just a point of curiosity, and I will pass my question to  
3 Leonard.

4 HEARING EXAMINER ORTH: Okay, thank you. Mr.  
5 Lowe, do you have questions of Mr. Feldewert?

6 TECHNICAL EXAMINER LOWE: Can you guys hear me?

7 HEARING EXAMINER ORTH: Now we can.

8 TECHNICAL EXAMINER LOWE: Okay, sorry. Yeah, I  
9 don't have any questions right now. Thank you.

10 HEARING EXAMINER ORTH: All right. Thank you.  
11 Is there anything further around these three matters?

12 MR. FELDEWERT: No, we just ask that it be taken  
13 under advisement.

14 HEARING EXAMINER ORTH: All right. We will take  
15 it under advisement. Thank you. That was 21334, 35 and 36.

16 (Exhibits admitted.)

17 (Taken under advisement.)

18 (Concluded.)

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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 quality.

17 Dated this 9th day of July 2020.

18

/s/ Irene Delgado

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

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