

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:

Application of Deveon Energy  
Production Company, LP for  
Compulsory Pooling,  
Lea County, New Mexico

Case No. 22072

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

AUGUST 5, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Baylen Lamkin, Technical Examiner, on August 5, 2021 through the Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources.

Reported by: Mary Therese Macfarlane  
New Mexico CCR #122  
PAUL BACA COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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A P P E A R A N C E S

FOR EOG RESOURCES, INC:           Kaitlyn A. Luck, Esq.  
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C O N T E N T S

CASE NO. 22072	PAGE
CASE CALLED:	3
INQUIRY BY EXAMINER BRANCARD:	5

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

EXHIBITS:	ADMITTED
A    Compulsory Pooling Application Checklist	7
B    Applications	7
C    Affidavit of Katie Dean (Landman)	7
C-1  C-102s	7
C-2  Proposed Communitization Agreement	7
C-3  Well Proposal/AFE	7
D    Affidavit of Derek Ohl (Geologist)	7
D-1  Wolfcamp Structure and Location Map	7
D-2  Cross-Section Map	7
D-3  Wolfcamp Cross Section	7
E    Notice Affidavit	7
E    Notice of Publication for each case	7

1 (Time noted 9:16 a.m.)

2 EXAMINER BRANCARD: With that I will call the  
3 next item, Case 22072.

4 And we are now on Devon Energy Production.

5 MS. LUCK: Good morning again. Kaitlyn Luck  
6 with the Santa Fe office of Holland & Hart for Devon  
7 Energy and Production Company in this case.

8 EXAMINER BRANCARD: Are there any other  
9 interested persons in Case No. 22072, Boundary Raider  
10 well. (Note: Pause.) Hearing none, you may proceed, Ms.  
11 Luck.

12 MS. LUCK: Thank you.

13 So Devon understood there would be no  
14 objection to this case proceeding by affidavit today and  
15 filed a standard set of exhibits, which start off with:

16 Exhibit A, which is a copy of the  
17 checklist;

18 followed by Exhibit B, which is as a copy  
19 of the application that Devon filed in this case;

20 and then Exhibit C is the Affidavit of  
21 Devon's landman, and her name is Katie Adams. She  
22 provides the standard set of land exhibits, and her  
23 affidavit explains that Devon is seeking an Order pooling  
24 the uncommitted interests into a Wolfcamp Formation Unit  
25 underlying a 686-acre standard spacing unit in the west

1 half of Sections 6 and 7 of Township 23 South, Range 32  
2 East. And this is all in Lea County, New Mexico.

3 Her affidavit provides the wildcat Wolfcamp  
4 Pool and Pool Code. She also provides copies of the  
5 C-102s for both of the initial wells, and those are the  
6 Boundary Raider 67 Fed Com 612H and 611H wells. She also  
7 provides the API numbers and the surface and bottomhole  
8 locations for each of those wells.

9 This is a unit which includes proximity  
10 tracts, and the Boundary Raider 711H well is the well that  
11 pools in those proximity tracts.

12 Her affidavit explains Foundation Energy  
13 Management is the only party that Devon has been unable to  
14 obtain a signature on the Communitization Agreement, and  
15 she provides the proposed Communitization Agreement as  
16 Exhibit C-2.

17 Exhibit C-3 is a copy of the Well Proposal  
18 Letters.

19 Next in packet are the standard geology  
20 exhibits, which Devon has included as Exhibit D. Devon  
21 includes the standard Wolfcamp Structure Map, cross  
22 section and cross-section map just showing that the  
23 targeted Wolfcamp Interval up there is prospective for  
24 development, and Devon believes that these Boundary Raider  
25 wells are the best way to develop this acreage.

1                   So, finally, in the packet Devon has  
2 included Exhibits E and F, which are the Notice  
3 information reflecting that our office provided Notice of  
4 this hearing to record title owners that Devon seeks to  
5 pool, both by mail and by publication.

6                   So with that I would move the admission of  
7 Devon exhibits A through F and request that this case be  
8 taken under advisement.

9                   EXAMINER BRANCARD: Thank you. Mr. Lamkin any  
10 questions?

11                  EXAMINER LAMKIN: I don't believe I have any  
12 questions. Thank you.

13                  EXAMINER BRANCARD: So the only interest that  
14 we're pooling here is this record title owner; is that  
15 correct?

16                  MS. LUCK: That is correct.

17                  EXAMINER BRANCARD: And their acreage is leased?

18                  MS. LUCK: And so I'm not sure in terms of what  
19 the status of their acreage is, but I do understand that  
20 they are shown as a record title owner in the BLM's  
21 records. And we have not been able to get their signature  
22 on this proposed Communitization Agreement, so the BLM has  
23 let us know that if we are able to pool them that we would  
24 be able to file the communitization agreement with a copy  
25 of the Pooling Order.

1                   EXAMINER BRANCARD: Is your client the lessee  
2 for the entire acreage?

3                   MS. LUCK: I would have to confirm the acreage  
4 information with Ms. -- I'm sorry, I don't know that right  
5 offhand.

6                   EXAMINER BRANCARD: I'm asking these questions  
7 because I wonder whether we need to tailor our Order to  
8 fit this situation. We are not really talking about  
9 working interest owners here. I mean, that's what our  
10 Orders are set up to deal with is pooling working interest  
11 owners, offering them 30 days to -- you have to send them  
12 an AFE and they have 30 days to respond, and there's a 200  
13 percent risk charge. But I'm not sure any of that applies  
14 to a record title owner whose interest may be leased. I  
15 don't know.

16                   MS. LUCK: That is correct. And it's my  
17 understanding you're right, the standard provisions would  
18 not apply to a separate title owner, because we are not  
19 asking for a risk penalty, not asking for costs against  
20 them, we are just simply asking for their interest to  
21 pooled so we can proceed with filing the communitization  
22 agreement.

23                               I can confirm whether or not they -- or  
24 what their interest is out there, if it is leased, and I  
25 could follow up with the Division after this hearing if

1 you would like more information on that.

2 EXAMINER BRANCARD: But there's no working  
3 interest owner that we're pooling here; is that correct?

4 MS. LUCK: That's correct. It's just the record  
5 title owner, according to what's in the BLM's records.

6 EXAMINER BRANCARD: All right. I just wanted to  
7 get that on the record to help us draft an Order here.

8 Are there any other interested persons in  
9 Case 22072? (Note: Pause.) Hearing none, the  
10 exhibits -- will be admitted and this case will be taken  
11 under advisement. Thank you.

12 (Time noted 9:25 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, August 5,  
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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