

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.
PRODUCTION COMPANY, LP.
for Compulsory Pooling
in Lea County, New Mexico

Case No. 22403
Case No. 22404

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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Albuquerque, New Mexico 87102
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1	I N D E X O F E X H I B I T S	
2	DEVON ENERGY COMPANY, LP EXHIBITS:	ADMITTED
3	A Affidavit of Tim Prout, Landman	8
4	A-1 C-102 forms	8
5	A-2 Ownership and Sectional Map	8
6	A-3 Well Proposal Letters and AFEs	8
7	A-4 Chronology of Contacts	8
8	B Affidavit of Matthew Myers, Geologist	8
9	B-1 Structure Map	8
10	B-2 Stratigraphic Cross Section	8
11	B-3 Gross Isochore	8
12	B-4 Gun Barrel View	8
13	B-5 Trajectory Cross Section	8
14	C Notice Affidavit	8
15	C-1 Notice Letters	8
16	C-2 Mailing List	8
17	C-3 Affidavit of Publication	8
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1 (Time noted 10:31 a.m.)

2 EXAMINER BRANCARD: all right. So these are
3 Items 62 and 63 on the worksheet. These are Case Nos.
4 22403, 22404, Devon Energy Production.

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

8 EXAMINER BRANCARD: Thank you, Mr. Savage.

9 Any other persons for cases 22403 or 22404?
10 Hearing none, you may proceed.

11 MR. SAVAGE: Thank you.

12 Since there are no objections, we are
13 presenting by Affidavit in consolidated form Cases 22403
14 and 22404. These two cases cover lands in Section 23, 14
15 and 11 Township 26 South, Range 34 East in Lea County, New
16 Mexico.

17 The landman for these cases Tim Prout has
18 testified before the Division as an expert witness and his
19 credentials has been accepted and made a matter of record.

20 The geologist for the cases, Matt Myers,
21 has not testified before the Division. He has a Masters
22 in Geology from the University of Kansas and has worked on
23 oil and gas matters in New Mexico since April, 2020. He
24 provides a description of his credentials in the
25 affidavit, as well as a professional resume for the

1 Division's review. We ask that he accepted as an expert
2 witness in geology.

3 In Case No. 22403 Devon seeks an Order
4 creating a standard 800-acre spacing unit comprised of the
5 northwest quarter of Section 23 and the west half of
6 Sections 14 and 11, and includes all committed interests
7 in the Bone Spring Formation. The unit will be dedicated
8 to three initial wells, the Muskie 23-11 Fed Com 11H Well,
9 the Muskie 23-11 Fed Com 12H Well, and the Muskie 23-11
10 Fed Com 13H Well.

11 Orientation of the unit is standup south to
12 north and all setback requirements under statewide rules
13 are met.

14 The Muskie 12H well will be the proximity
15 well and proximity tracts will be utilized to create the
16 larger unit.

17 Mr. Prout's Exhibit A for Case 22403
18 includes his landman affidavit, the C-102s, and breakdown,
19 Well Letter, AFEs and Chronology of Contacts.

20 Likewise Mr. Myers' Exhibit B for this case
21 includes his geology exhibit, along with the standard
22 geology exhibits that show potential for development.

23 Exhibit C provides the Affidavits of
24 Mailing and Publication Notice. Notice was both timely
25 went and published and all owners were locatable.

1 Both Mr. Prout and Mr. Myers affirm that
2 approval is in the best interests of conservation,
3 protection of correlative rights and prevention of waste,
4 and will prevent the drilling of unnecessary wells.

5 Next, in the sister Case 22404 Devon seeks
6 an Order creating a standard 800-acre spacing unit
7 comprised of the northwest quarter of Section 23 and the
8 west half of Sections 14 and 11, and pooling all
9 uncommitted interests in the Wolfcamp Formation. These
10 will be dedicated to four initial wells, the Muskie 23-11
11 Fed. Com 1H, the Muskie 23-11 Fed Com 2H well, the Muskie
12 22-11 Fed Com 3H well, and the Muskie 22-11 Fed Com 4H
13 well.

14 Orientation of this unit is standup south
15 to north and all setback requirements under statewide
16 rules are met.

17 The Muskie 3H well will be the proximity
18 well, and proximity tracts will utilized to create the
19 larger unit.

20 In this case Mr. Prout's Exhibit A includes
21 again his landman affidavit, the C-102, Ownership
22 breakdown, Well Proposal Letter and AFEs and Chronology of
23 Contacts.

24 And Mr. Myers' Exhibit B for this case
25 includes his geologist's affidavit, along with the

1 standard geology exhibits showing potential for
2 development.

3 Exhibit C is the Affidavit of Notice for
4 mailing and Publication Notice. Notice was timely sent
5 and published, and all owners are locatable.

6 For this case Mr. Prout and Mr. Myers
7 confirm the approval of this application is in the best
8 interests of conservation, protection of correlative
9 rights, and prevention of waste.

10 At this point I ask that Exhibits A, B and
11 C and all sub exhibits are accepted into the record for
12 Cases 22403 and 22404, and that these cases be taken under
13 advisement.

14 And I'm available for any questions.

15 EXAMINER BRANCARD: Thank you.

16 Mr. Garcia, any questions?

17 EXAMINER GARCIA: Just one.

18 For clarification on my end, are you
19 seeking a nonstandard proration unit? I believe everyone
20 calls a horizontal spacing different things for different
21 meanings. So I just wanted to clarify.

22 MR. SAVAGE: It should be a standard horizontal
23 spacing unit.

24 EXAMINER GARCIA: That's what I figured. I just
25 wanted to clarify that.

1 MR. SAVAGE: And we are using the proximity
2 tracts to enlarge it, but it conforms to the criteria for
3 a standard unit in the expanded form.

4 EXAMINER GARCIA: Thank you for that.

5 EXAMINER BRANCARD: Thank you. Are there any
6 further questions of interest in Cases 22403 or 22404?

7 Hearing none, the exhibits will be admitted
8 into the record, the witness is accepted as an expert, and
9 Cases 22403 and 22404 will be taken under advisement.

10 MR. SAVAGE: Thank you, Mr. Hearing Examiner.

11 (Time noted 10:36 a.m.)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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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,

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January 6, 2022, the proceedings in the above-captioned

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matter were taken before me; that I did report in

10

stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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transcription to 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

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that I have no interest whatsoever in the final

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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: 12/31/2022

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