

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 NO. 13,840

APPLICATION OF DEVON ENERGY PRODUCTION )  
COMPANY, LP, FOR COMPULSORY POOLING, )  
EDDY COUNTY, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

December 13th, 2006

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Wednesday, December 13th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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2006 DEC 27 PM 2:55

## I N D E X

December 13th, 2006  
Examiner Hearing  
CASE NO. 13,840

PAGE

REPORTER'S CERTIFICATE

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## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	-
Attachment A	-	-
Attachment B	3	-
Attachment C	3	-
Attachment D	3	-
Exhibit 2	4	-

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## A P P E A R A N C E S

## FOR THE DIVISION:

DAVID K. BROOKS, JR.  
Assistant General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

JAMES G. BRUCE  
Attorney at Law  
P.O. Box 1056  
Santa Fe, New Mexico 87504

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

1           WHEREUPON, the following proceedings were had at  
2   9:55 a.m.:

3           EXAMINER JONES: And at this time let's call Case  
4   13,83- -- -8- -- I'm sorry, let's start over -- 13,840,  
5   Application of Devon Energy Production Company, LP, for  
6   compulsory pooling, Eddy County, New Mexico.

7           Call for appearances.

8           MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
9   representing the Applicant. I'm also submitting this case  
10   by affidavit.

11           Mr. Examiner, Exhibit 1 is an affidavit by Meg  
12   Muhlinghouse, landman for Devon Energy. Devon seeks to  
13   force pool the south half of Section 10, 19 South, 31 East.  
14   This is a Morrow test well.

15           Information on the parties being pooled and their  
16   interests in the well unit are attached as Exhibit B to  
17   Exhibit 1.

18           Exhibit C contains correspondence to the parties.  
19   The original letter went out on September 14th, 2006.

20           And then submitted as Exhibit D is an AFE for the  
21   well. This well is a mere \$2.6 million. Just like in the  
22   other cases, this affidavit does contain information on the  
23   requested overhead rates which are \$6000 and \$600 a month,  
24   and they request that they be adjusted under the COPAS  
25   accounting procedure, as is common in all the other cases.

1 Submitted as Exhibit 2 is my affidavit of notice.  
2 I notice mine wasn't numbered. Is yours numbered, on the  
3 front page?

4 EXAMINER JONES: Yes.

5 MR. BRUCE: Okay --

6 EXAMINER JONES: Oh, no, no, it's not. Exhibit  
7 Number 2?

8 MR. BRUCE: Should be Exhibit 2.

9 Notice was sent by certified mail to all parties.  
10 Amity Oil, Inc., which is an existing company, I never did  
11 get the green card back from them. I would ask as a  
12 result, I think the matter should be continued to January  
13 4th, just so I can verify that notice has been received by  
14 Amity Oil Company. But all of the other parties being  
15 pooled did receive notice.

16 The parties are in ongoing discussions, and  
17 chances are that a number of these parties will join in the  
18 well, at which time I will notify the Division that they  
19 wouldn't be subject to a pooling order.

20 EXAMINER JONES: Okay, now say that again. You  
21 want to continue to --

22 MR. BRUCE: January 4th, because for some reason  
23 I never got the green card back from Amity Oil Company, and  
24 that's the very last page of Exhibit 2.

25 EXAMINER JONES: Okay, okay.

1 MR. BROOKS: Is this also a Morrow test?

2 MR. BRUCE: It is also a Morrow test.

3 MR. BROOKS: What depth?

4 MR. BRUCE: I think it is -- I think it's  
5 shallower than the others. It is -- No, it's deeper.  
6 12,725 feet.

7 MR. BROOKS: Wonder why the AFE is so much less  
8 than some of the others?

9 MR. BRUCE: That I do not know. I think in some  
10 of these areas, for whatever reason, the drilling in the  
11 Morrow goes a little easier than in other areas, for  
12 reasons that the Hearing Examiner might know better than  
13 me.

14 MR. BROOKS: Very likely.

15 EXAMINER JONES: Yeah, it looks like -- You're  
16 going for 320, 160 and 40-acre tracts?

17 MR. BRUCE: Correct. Yeah, the 160, this is in  
18 the old Lusk-Strawn Pool. I don't know if the Lusk-Strawn  
19 is paid out or is even existent in this particular section,  
20 but it is in that pool.

21 EXAMINER JONES: Okay. Yeah, I found a Morrow  
22 pool, a Strawn pool, and basically four 40-acre pools in  
23 this area.

24 Okay, we'll -- with that, we'll continue Case  
25 13,840 to January the 4th, and at that time we'll get a

1 green card and wrap the case up.

2 That being the last case on the docket, this  
3 docket is closed.

4 (Thereupon, these proceedings were concluded at  
5 10:00 a.m.)

6 \* \* \*

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15 I do hereby certify that the foregoing is  
16 a complete record of the proceedings in  
17 the Examiner hearing of Case No. \_\_\_\_\_,  
18 heard by me on \_\_\_\_\_.

19 \_\_\_\_\_, Examiner  
20 Oil Conservation Division  
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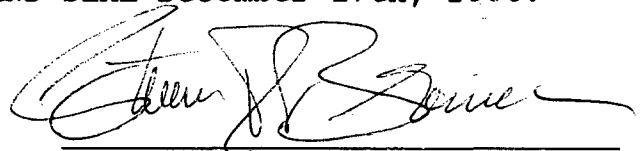
## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO    )  
                              )   ss.  
COUNTY OF SANTA FE    )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL December 17th, 2006.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010