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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 2009 305

APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P., FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

RECEIVED
2009 MAY 1 PM 1 05

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

April 16, 2009
Santa Fe, New Mexico

BEFORE: DAVID BROOKS: Hearing Examiner
TERRY WARNELL: Technical Advisor
RICHARD EZEANYIM: Technical Advisor

This matter came for hearing before the New Mexico
Oil Conservation Division, David Brooks Hearing Examiner,
on April 16, 2009 at the New Mexico Energy, Minerals and
Natural Resources Department, 1220 South St. Francis
Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Peggy A. Sedillo, NM CCR NO. 88
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

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APPLICANT'S EXHIBITS

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A P P E A R A N C E S

FOR THE APPLICANT:	JAMES BRUCE, ESQ.
	Attorney at Law
	P. O. Box 1056
	Santa Fe, NM 87504

1 HEARING EXAMINER: We'll call Case No. 14305,
2 the application of Devon Energy Production Company, L.P.
3 for compulsory pooling, Eddy County, New Mexico.

4 Call for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
6 representing the applicant. I'm submitting this case by
7 affidavit.

8 HEARING EXAMINER: Okay.

9 MR. BRUCE: Mr. Examiner, in this case, Devon
10 seeks an application for force pooling all mineral
11 interests from the surface to the base of the Upper
12 Pennsylvanian formation underlying the west half of
13 Section 13, Township 24 South, Range 28 East to form 320
14 acre spacing units.

15 I think the application asks for 160 acre and
16 320 acre units. At this point, we're just asking for a
17 320 acre unit.

18 Submitted as Exhibit 1 is the affidavit of Ken
19 Gray, a landman for Devon Energy showing the parties being
20 pooled, their percentage interests.

21 This case involves -- if you'll flip back four
22 pages to Attachment A to this exhibit, this well was
23 drilled sometime ago, 26, 27 years ago. It produced for
24 quite some time, and then ceased producing.

25 You can see, it's numerous fee tracts of land.

1 When it ceased producing, a number of the leases expired,
2 and as a result, when Devon Energy decided to reenter the
3 well, they had to spend a lot of time and effort trying to
4 lease these small tracts.

5 There were certain unleased mineral interest
6 owners, all who are being forced pooled, their unleased
7 mineral interest owners who had to be force pooled. The
8 well has been recompleted.

9 If you turn to the next Attachment B, you'll see
10 that the well is completed in the Upper Penn. And I
11 believe this is the Division's handwriting up at the top.
12 It says "South draw Upper Penn" and gives a pool code.

13 I was not able to find that in the Division
14 records, but nonetheless, that's what the Division in
15 Artesia designated the pool as. It is a gas well spaced
16 on 320 acres.

17 There are some completion documents in there
18 along with the rest of Attachment B.

19 Attachment C is simply all of the correspondence
20 to the unleased mineral interest owners. There are a
21 number of them and there's correspondence going back, oh,
22 over a year and a half to all of the parties being pooled,
23 all of whom are locatable, Mr. Brooks.

24 HEARING EXAMINER: They've all been located?

25 MR. BRUCE: They've all been located. There are

1 some affidavits of publication only because I never got a
2 green card back from one interest owner, Cline Oil and Gas
3 Company.

4 However, if you turn to the very back of
5 Attachment C to this exhibit, you will see that a well
6 proposal to Cline Oil and Gas Company by Devon did have a
7 signed green card and it was returned. It's quite a ways
8 back there.

9 HEARING EXAMINER: Yeah. Okay.

10 MR. BRUCE: And then finally, Attachment D are
11 actual well costs. Like I said, the well has been
12 recompleted. These are the actual well costs,
13 \$1,239,030.70.

14 Applicant seeks the force pooling of all of
15 these parties. The overhead rates, \$6,000 and \$600, are
16 set forth in Exhibit 1.

17 Exhibit 2 is my affidavit of notice. Again,
18 everyone did receive notice. The very last one, the last
19 page of that exhibit, shows that a notice letter to Cline
20 Oil and Gas Company had not yet been picked up by that
21 entity.

22 As a result, I did publish notice against Cline
23 Oil and Gas Company. The affidavit of publication is
24 submitted as Exhibit 3.

25 Also set forth in Mr. Gray's affidavit is --

1 there is one interest owner, Harry Richardson, who may or
2 may not be deceased. There's no probate of him in New
3 Mexico records. And notice of this hearing was published
4 against any potential heirs or devisees of Harry
5 Richardson. And that affidavit of publication is
6 submitted as Exhibit 4.

7 And so with that, I would ask that Exhibits 1
8 through 4 be admitted and that this matter be taken under
9 advisement.

10 HEARING EXAMINER: Okay, Exhibits 1 through 4
11 are admitted. And Case No. 14305 is taken under
12 advisement.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14305
heard by me on 4-16 2009
David K. Burt Examiner
Oil Conservation Division

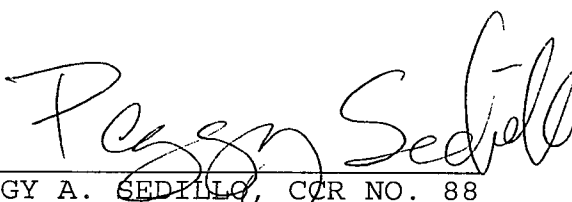
1 STATE OF NEW MEXICO)
) ss.
 2 COUNTY OF BERNALILLO)

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REPORTER'S CERTIFICATE

I, PEGGY A. SEDILLO, Certified Court
 Reporter of the firm Paul Baca Professional
 Court Reporters do hereby certify that the
 foregoing transcript is a complete and accurate
 record of said proceedings as the same were
 recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this
 25th day of April, 2009.


 PEGGY A. SEDILLO, CCR NO. 88
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