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: 20966

APPLICATION OF KAISER-FRANCIS OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JANUARY 23, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, LEONARD LOWE, and LEGAL EXAMINER ERIC AMES, on Thursday, January 23, 2020, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street, NW, Suite 105

Albuquerque, NM 87102

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1 HEARING EXAMINER ORTH: All right. Like to call

- 2 then the case Number 20966, applicant Kaiser-Francis. This
- 3 is a compulsory pooling matter. Call for appearances,
- 4 please.
- 5 MR. BRUCE: Jim Bruce of Santa Fe representing
- 6 the applicant. I'm submitting the case by affidavit.
- 7 HEARING EXAMINER ORTH: Are there any other
- 8 appearances?
- 9 MR. FELDEWERT: Michael Feldewert of the Santa Fe
- 10 office of Holland & Hart appearing on behalf of COG
- 11 Operating.
- 12 HEARING EXAMINER ORTH: Okay.
- 13 MS. HARDY: Dana Hardy with the Santa Fe office
- of Hinkle Shanor for WTG Exploration and BTA Oil Producers.
- 15 HEARING EXAMINER ORTH: Thank you. First, Mr.
- 16 Bruce, would you intend to consolidate 20966 with 20967 and
- 17 20968?
- 18 MR. BRUCE: Let's do this one alone and then
- 19 combine the other two.
- 20 HEARING EXAMINER ORTH: Okay. As I understand
- 21 it, you propose to submit it by affidavit. Are there this
- 22 objections, Mr. Feldewert or Ms. Hardy, to submit by
- 23 affidavit?
- MR. FELDEWERT: No objection.
- MS. HARDY: No objection.

1 HEARING EXAMINER ORTH: Mr. Bruce, please go

- 2 ahead.
- 3 MR. BRUCE: In this case Kaiser-Francis Oil
- 4 Company seeks to pool the W/2 of 31, 25 South, 33 East, and
- 5 W/2 of 6 in 26 South, 33 East, below the top of the First
- 6 Bone Spring Sand for a two mile Bone Spring -- a number of
- 7 two-mile Bone Spring laterals.
- 8 The notice is complete in this matter. Affidavit
- 9 of publication -- I have one, but everybody received actual
- 10 certified notice, so that's not included.
- 11 Two things, I apologize, I, late last night, I
- 12 ran out of tabs so I don't have tabs on all of the exhibits,
- 13 but I do to give to the Examiners.
- 14 HEARING EXAMINER ORTH: All right. So in this
- 15 matter, as in any others by affidavit, I only want to
- 16 confirm compliance with the notice requirements. A request
- 17 for admission of the application affidavit in exhibit -- no
- 18 description of the exhibit, no detailed description of the
- 19 exhibits is necessary.
- 20 MR. AMES: Mr. Bruce, where is the checklist?
- 21 MR. BRUCE: Sitting in a friend's car where I
- 22 left it last night. I will e-mail those to the Division
- 23 today, later today when I e-mail the exhibits.
- MR. AMES: Okay.
- 25 HEARING EXAMINER ORTH: Do we accept packets

- 1 without a checklist?
- MR. AMES: No, we don't accept packets without
- 3 the checklist.
- 4 HEARING EXAMINER ORTH: Would the best course of
- 5 action be to continue this for two weeks?
- 6 MR. AMES: I think so.
- 7 HEARING EXAMINER ORTH: Mr. Bruce, the next time
- 8 we are together in this room is February 6. Are you
- 9 available February 6?
- 10 MR. BRUCE: Yes.
- 11 HEARING EXAMINER ORTH: All right.
- 12 If you would please, I will continue this matter
- 13 to February 6 so that we have a complete application. Thank
- 14 you. And we can give these back to you.
- MR. BRUCE: Okay.
- 16 HEARING EXAMINER ORTH: What about 67 and 68?
- 17 MR. BRUCE: The story is the same. I would just
- 18 like to make a brief presentation so the next time I can
- 19 just submit the exhibits.
- 20 HEARING EXAMINER ORTH: I believe the new
- 21 protocol for the Division is to have a presentation made all
- 22 at once rather than across two different, but thank you.
- MR. BRUCE: Thank you.
- 24 (Cases continued.)

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Page 6 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 7 Reporter, CCR 253, do hereby certify that I reported the 8 foregoing proceedings in stenographic shorthand and that the 9 foregoing pages are a true and correct transcript of those 10 proceedings that were reduced to printed form by me to the best of my ability. 11 12 I FURTHER CERTIFY that the Reporter's Record of 13 the proceedings truly and accurately reflects the exhibits, 14 if any, offered by the respective parties. 15 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties of attorneys in this case 16 and that I have no interest in the final disposition of this 17 18 case. Dated this 23rd day of January 2020. 19 20 2.1 Irene Delgado, NMCCR 253 License Expires: 12-31-20 22 23 2.4 25