

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 ONE ENERGY PARTNERS CASE NO. 15758
OPERATING, LLC FOR A NONSTANDARD
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

Consolidated with

APPLICATION OF ONE ENERGY PARTNERS CASE NO. 15759
OPERATING, LLC FOR A NONSTANDARD
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 14, 2017

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
 GABRIEL WADE, LEGAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Michael McMillan,
Chief Examiner, and Gabriel Wade, Legal Examiner, on
Thursday, September 14, 2017, 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: Mary C. Hankins, CCR, RPR
 New Mexico CCR #20
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APPEARANCES

FOR APPLICANT ONE ENERGY PARTNERS OPERATING, LLC:

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FOR RESPONDENTS V-F PETROLEUM, FUEL PRODUCTS, INC.;
GAHR ENERGY COMPANY; AMERISTATE PARTNERS, LLC;
AMERISTATE ENERGY, LLC; HFLP E&P, LLC; THOMAS M. BEALL;
JERRY M. GAHR; MARCUS WAYNE LUNA; SANDRA K. LAWLESS;
CLIFFORD N. HAIR; and MARK K. NEARBURG:

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1 (9:00 a.m.)

2 EXAMINER McMILLAN: I'd like to call the
3 hearing back to order. Today's date is September 14,
4 2017. This is Docket 33-17.

5 We are now going to go to Case Number
6 15758, which is being combined with Case Number 15759,
7 and both of them state: Application of OneEnergy
8 Partners, LLC for a nonstandard spacing and proration
9 unit and compulsory pooling, Lea County, New Mexico.

10 Call for appearances.

11 MS. KESSLER: Jordan Kessler, from the
12 Santa Fe office of Holland & Hart, on behalf of the
13 Applicant.

14 EXAMINER McMILLAN: Any other appearances?

15 MR. BRUCE: Jim Bruce of Santa Fe
16 representing V-F Petroleum, Inc., et al., who were
17 previously identified.

18 EXAMINER McMILLAN: Okay. Please proceed.

19 MS. KESSLER: Mr. Examiner, I placed in
20 front of you Exhibit 28.

21 If you want to make your entry of the --

22 MR. BRUCE: Yeah. I think we agreed that
23 V-F's technical engineering report would be admitted as
24 an exhibit, and that's Exhibit Z because I couldn't
25 remember the numbering (laughter).

1 MS. KESSLER: And the Applicant has
2 reviewed the numbering on its exhibits and has placed
3 Exhibit 28 in front of you. This is a rebuttal exhibit
4 to V-F's engineering report.

5 MR. BRUCE: And we have no objection to
6 that.

7 MS. KESSLER: No objection to the V-F
8 exhibit.

9 (Respondents' Exhibit Letter Z and
10 Applicant's Exhibit Number 28 are offered
11 evidence.)

12 EXAMINER McMILLAN: Okay. The only thing
13 I'm asking is that both parties present a written report
14 for your --

15 MR. BRUCE: A written closing?

16 EXAMINER McMILLAN: Yeah, a written
17 closing.

18 MS. KESSLER: We can do that.

19 MR. BRUCE: Yeah. Sure.

20 And I do want to stipulate for Ms. Kessler,
21 she had filed -- V-F has some APDs. She filed a motion
22 to --

23 MS. KESSLER: Stay.

24 MR. BRUCE: -- stay them. I don't think we
25 need to argue that. I will stipulate on the record that

1 V-F has no objection on the APD pending the decision by
2 the Division.

3 MS. KESSLER: Mr. Examiner, what date would
4 you like closings?

5 EXAMINER WADE: How much time do you need?

6 MS. KESSLER: Two weeks.

7 MR. BRUCE: Two weeks is fine.

8 EXAMINER McMILLAN: Okay. Two weeks.

9 MR. BRUCE: Okay.

10 EXAMINER McMILLAN: Okay?

11 With that in mind, Case Number 15758 and
12 Case Number 15759 shall be taken under advisement.

13 Thank you.

14 (Case Numbers 15758 and 15759 conclude,
15 9:02 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither
17 employed by nor related to any of the parties or
18 attorneys in this case and that I have no interest in
19 the final disposition of this case.
20

21
22 MARY C. HANKINS, CCR, RPR
23 Certified Court Reporter
24 New Mexico CCR No. 20
25 Date of CCR Expiration: 12/31/2017
Paul Baca Professional Court Reporters