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APPEARANCES

FOR APPLICANT OXY USA WTP LIMITED PARTNERSHIP:

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(9:31 a.m.)

EXAMINER DAWSON: Back on the record. And at this point, we'll call Case Number 15780.

Call for appearances, please.

Case 15780 is number ten on the list, which is application of OXY USA WTP Limited Partnership to re-open Case Number 15780 to pool the interests of record title owners under the terms of Compulsory Pooling Order R-14471, Eddy County, New Mexico.

MR. RANKIN: Mr. Examiner, counsel for OXY is out of the room at the moment. She'll be right back. She's got her stuff at the desk already, if I could poke my head out and see if I can find her.

EXAMINER DAWSON: Okay. Thank you very much, Mr. Rankin.

Okay. Going on with Case Number 15780, call for appearances.

MS. KESSLER: Mr. Examiner, Jordan Kessler, from the Santa Fe office of Holland & Hart, on behalf of the Applicant. And we had requested in our pre-hearing statement this be combined with Case Number 15781.

EXAMINER DAWSON: Okay. So at this point Cases 15780 and 15781 will be consolidated.

No witnesses?

MS. KESSLER: No witnesses. This will be

1 presented by affidavit.

2 EXAMINER DAWSON: Okay. When you're ready,
3 Ms. Kessler.

4 MS. KESSLER: Thank you, Mr. Examiner.

5 Mr. Examiners, Case Numbers 15780 and 15781
6 were two compulsory pooling cases that were originally
7 heard, and orders were issued in October of 2017. Each
8 of the cases asked for formation of a 320-acre
9 nonstandard spacing unit.

10 Case Number 15780 requested a formation of
11 a nonstandard spacing unit comprised of the north
12 half-south half of Section 9 and the north half-south
13 half of Section 10 in Township 19 South, 29 East, Eddy
14 County, New Mexico.

15 Case Number 15781 requested formation of a
16 nonstandard spacing unit comprised of the south
17 half-south half of Sections 9 and 10, Township 19 South,
18 Range 29 East, in Eddy County, New Mexico.

19 Both cases also requested pooling of
20 uncommitted interest owners in the Bone Spring and
21 designated initial wells for each of the spacing units.

22 What you have before you is additional
23 exhibits, an affidavit from the landman marked as
24 Exhibit 1 for each case, along with supporting
25 attachments. What OXY seeks today is to pool several

1 uncommitted record title interest owners pursuant to the
2 existing orders.

3 For Case Numbers 15780 and 15781, Exhibit
4 1, as I mentioned, is an affidavit from India Isbell.
5 She is the landman who originally testified in these
6 cases. She discusses the spacing unit and the resulting
7 order from each case. Each order is attached as Exhibit
8 A.

9 Exhibit B contains a list of the status of
10 the states of the record title to whom notice has been
11 provided, and if I can just briefly review that. The
12 reason for pooling these record title interest owners is
13 that the record title interests have either been
14 completely unresponsive and refuse to sign a com
15 agreement or are in various -- the states of the record
16 title owners are in various states of the probate.

17 So Exhibit C contains letters for each of
18 these -- or Attachment C for each of these exhibits
19 contains letters from OXY to each of the record title
20 interest owners.

21 EOG M Resources has been contacted a number
22 of times and has not provided a response or a signature
23 as detailed in paragraph B of Exhibit 1 -- excuse me --
24 6B of Exhibit 1.

25 R. D. Collier and Harold Kersey are record

1 title owners. They are both deceased. Their heirs have
2 been identified, and each of the heirs was sent a letter
3 requesting that they -- requesting that they provide
4 signature on the communitization agreements. OXY has
5 received no response from most of those heirs and has
6 not received com agreements or signatures in any of
7 the --

8 And paragraph 6C details the fact that they
9 have conducted a diligent search of the county records
10 in Eddy County and computer and phone directory searches
11 to obtain the names of those record title interest
12 owners and heirs.

13 Exhibit D is an affidavit -- I'm sorry --
14 Attachment E for Case Number 15780 and Attachment D for
15 Case Number 15781 is an affidavit from my office
16 providing notice of the hearing to the record title
17 interest owners.

18 Exhibit F for 15780 and Exhibit E for 15781
19 is Notice of Publication directed by name to each of the
20 record title interest owners.

21 Mr. Examiners, unless you have further
22 questions, I would ask that these cases be taken under
23 advisement.

24 EXAMINER DAWSON: Do you have any
25 questions?

1 EXAMINER BROOKS: I do.

2 Record title, are you using record title in
3 this case in the federal --

4 MS. KESSLER: State, Mr. Examiner, state
5 com agreements.

6 EXAMINER BROOKS: So the persons named
7 are -- are they lessees of the state --

8 MS. KESSLER: That's correct.

9 EXAMINER BROOKS: -- owners of interest in
10 state leases?

11 MS. KESSLER: Owners of interest of record
12 title only of state leases. So all of the uncommitted
13 mineral or working interest was previously compulsory
14 pooled.

15 EXAMINER BROOKS: So they're successors,
16 the lessee of record?

17 MS. KESSLER: Right.

18 EXAMINER BROOKS: Is that true of EOG M
19 also?

20 MS. KESSLER: That's correct.

21 EXAMINER BROOKS: It owns only record
22 title?

23 MS. KESSLER: Only record title.

24 EXAMINER BROOKS: Thank you.

25 MS. KESSLER: Mr. Examiners, I also failed

1 to move admission of Exhibit 1A through F for Case 15780
2 and 1A through E for Case Number 15781. So I would do
3 so at this time.

4 EXAMINER DAWSON: Exhibits 1 through F on
5 Case Number 15780 and 1 through E on 15781 will be
6 admitted at this time.

7 MS. KESSLER: Thank you.

8 (OXY USA WTP, L.P. Exhibit Numbers 1A
9 through F and 1A through E are offered and
10 admitted into evidence.)

11 EXAMINER DAWSON: Thank you.

12 One question on EOG: They -- they're not
13 cooperating or --

14 MS. KESSLER: They're simply not
15 responding.

16 EXAMINER DAWSON: Not responding at all.

17 Okay. Okay. That's all the questions we have.

18 So at this point, 15780 and 15781,
19 consolidated cases, will be taken under advisement.

20 MS. KESSLER: Thank you.

21 (Case Numbers 15780 and 15781 conclude,
22 9:39 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 DATED this 12th day of January 2018.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters

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