

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

PRE-HEARING TRANSCRIPT

December 21, 2017

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER  
PHILLIP GOETZE, TECHNICAL EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Scott Dawson, Chief Examiner, Phillip Goetze, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, December 21, 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  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

1 (8:17 a.m.)

2 EXAMINER DAWSON: Good morning, everyone.  
3 This is the Oil Conservation Division hearing for  
4 December 21st, Docket Number 45-17. It's approximately  
5 8:15. We're at 1220 South Francis, Santa Fe, New  
6 Mexico. I'm Scott Dawson. To my right is David Brooks,  
7 and to his right is Phil Goetze.

8 We'll go over the docket now.

9 No changes on page 1.

10 Page 2, number four, Case Number 15905 has  
11 been dismissed. Case Number 15906 is continued to  
12 January 11th, 2018. Case number six, which is Case  
13 Number 15907, is continued to January 11th, 2018.

14 Going to page 3, number nine, which is Case  
15 Number 15748, is continued to January 11th, 2018.  
16 Number 12, which is Case Number 15910, is continued to  
17 January 11th, 2018.

18 Going to page 4, number 16, Case Number  
19 15887, this is one that we need to -- we wanted to ask  
20 Mr. Bruce about.

21 Is that case dismissed?

22 MR. BRUCE: It is dismissed.

23 EXAMINER DAWSON: Okay. So Case Number  
24 15887 is dismissed.

25 Going to page 5 of 9, number 24, Case

1 Number 15920 is dismissed.

2 Going to page 6 of 9, case number 26 on the  
3 list, which is Case Number 15800, is dismissed.

4 Number 28 on the list, Case Number 15806,  
5 is there a notification -- is there some kind of a  
6 notification issue on this case?

7 MS. KESSLER: Mr. Examiner, Jordan Kessler  
8 from the Santa Fe office of Holland & Hart. There is a  
9 notification issue with this case. We'd respectfully  
10 request it be continued to January 11th for that  
11 notification purpose.

12 EXAMINER DAWSON: Any objection?

13 Okay. So case number 28 on the list, Case  
14 Number 15806, will be continued to January 11th, 2018.  
15 Number 29 on the list, Case Number 15872, is continued  
16 to January 25th, 2018.

17 Going to page 7 of 9, number 30 on the  
18 list, Case Number 15874, is continued to -- we were  
19 unsure as to January 11th or 25th on this one.

20 MR. RANKIN: Mr. Examiner, our preference  
21 would be to push it to the 25th for now, since we  
22 haven't -- or we could push to the 11th and if  
23 necessary, push it back to the 25th.

24 MS. BRADFUTE: That is correct,  
25 Mr. Examiner. I have not consulted with Mr. DeBrine,

1 who is representing them, with a preliminary offer. We  
2 can move it to the 11th, but if we can't reach  
3 agreement, we may need to move it to the 25th. We can  
4 send you an email.

5 EXAMINER DAWSON: Okay. So that one will  
6 be continued to January 11th. That's number 30 on the  
7 list, Case Number 15874.

8 Going down on the list, numbers 31, 32 and  
9 -- I'm sorry -- 31 and 32, Case 15782 and Case Number  
10 15783, have been dismissed. Number 33 on the list, Case  
11 Number 15888, is continued to January 25th, 2018.

12 Going to page 8 of 9, nothing.

13 Page 9 of 9, number 41 on the list, Case  
14 Number 15773, has been dismissed. And number 42 on the  
15 list, Case Number 15774, has been dismissed.

16 And I ask anyone in the room if there is  
17 anything we may have missed.

18 MR. BRUCE: Mr. Examiner, on page 5 --

19 EXAMINER DAWSON: Page 5.

20 MR. BRUCE: -- case numbers 20, 21 and 22,  
21 M & M Energy, can we please continue those to January  
22 11th?

23 EXAMINER DAWSON: Okay.

24 MR. BRUCE: And on page 8, the first two  
25 Matador cases, 15889 and 15890, would you please

1 continue those to the first hearing in February, which I  
2 believe is February 8th?

3 EXAMINER DAWSON: Okay.

4 MS. BRADFUTE: Mr. Examiner, Case Numbers  
5 15096 and 15097, we were going to discuss Marathon's  
6 request for an expedited order in these cases. I don't  
7 know if you want to do it now or after one of the  
8 breaks.

9 EXAMINER GOETZE: We can do that right here  
10 and right now if you wish.

11 MS. BRADFUTE: Yes. We would like to  
12 address the issue and get some clarification.

13 EXAMINER GOETZE: Okay. And we have other  
14 contestants here for changes in the docket?

15 MR. HALL: I have a case for Case 15900.  
16 It's continued to January 11th.

17 EXAMINER DAWSON: Okay. Number 34 on the  
18 list, Case Number 15900, continued to January 11th.

19 MR. HALL: Right.

20 EXAMINER DAWSON: Okay. And on the  
21 question on the expedited order request, since we  
22 have -- we kind of have a problem with the director  
23 leaving. So we're not sure as to who the new director  
24 is at this time.

25 MS. BRADFUTE: Okay.

1 EXAMINER DAWSON: And we don't know if  
2 we'll have a director at that time.

3 MS. BRADFUTE: Okay.

4 EXAMINER DAWSON: So we'll do our best to  
5 get your case order expedited, but we cannot guarantee  
6 it. So we're going to try to do what we can, but  
7 without a new director, we're unsure at this time.

8 MS. BRADFUTE: Okay. Should we follow up  
9 on that request after further developments have been  
10 determined as to who the director's going to be?

11 EXAMINER GOETZE: Yeah. You can go ahead  
12 and make a petition. I think just keep it in the  
13 forefront of us at hearings. But at this point, because  
14 we don't know where management is going, whoever's going  
15 to have signature authority at this point -- we do have  
16 an acting, and we do not who the new director is. So we  
17 will have a void in the signing authority.

18 MS. BRADFUTE: Okay.

19 EXAMINER GOETZE: So whether the Secretary  
20 will take over that authority, we don't know yet. Just  
21 be forewarned, we may have a paper, but we may not have  
22 a signature for it.

23 MS. BRADFUTE: Okay. That makes sense.  
24 Thank you very much.

25 MS. KESSLER: Jordan Kessler, Mr.

1 Examiners, on behalf of EOG. EOG does not object to an  
2 expedited order, although the drilling dates are in  
3 March and the hearing is in January. And so the urgency  
4 isn't necessarily within a couple of weeks. It would be  
5 couple of months.

6 MS. BRADFUTE: We would still -- our  
7 preference would be an expedited order so everything can  
8 be in place so the well could be drilled in the middle  
9 of March. And we understand the Division's limitations,  
10 of course.

11 EXAMINER DAWSON: So noted.

12 Mr. Hall?

13 MR. HALL: I'm representing Robert Landreth  
14 and Advance Energy on those two cases. We're not taking  
15 a position on expedited orders.

16 EXAMINER DAWSON: Okay.

17 EXAMINER GOETZE: Come on.

18 (Laughter.)

19 EXAMINER DAWSON: That should take care of  
20 the docket.

21 If there is nothing else --

22 (The pre-hearing proceedings conclude, 8:25  
23 a.m.)

24 (9:40 a.m.)

25 EXAMINER DAWSON: Okay. Moving on, we will

1 now go to number 28 on the list, Case Number 15806,  
2 re-opened, continued from the November 30th, 2017  
3 Examiner Hearing. It's application of the XTO Energy,  
4 Incorporated to revise the well name and to dedicate two  
5 additional initial wells to the nonstandard spacing and  
6 proration unit under the terms of Order R-14478, Eddy  
7 County, New Mexico.

8 Call for appearances.

9 MS. KESSLER: Mr. Examiner, Jordan Kessler,  
10 from Holland & Hart. I had previously, during docket  
11 call, requested that this be continued to January 11th.

12 EXAMINER DAWSON: That is correct. At this  
13 point number 28, Case Number 15806, will be continued to  
14 January 11th, 2018.

15 Sorry I didn't catch that before.

16 (Case Number 15806 concludes, 9:40 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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