

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

PRE-HEARING TRANSCRIPT

June 28, 2018

Santa Fe, New Mexico

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

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, June 28, 2018, 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 (8:24 a.m.)

2 EXAMINER GOETZE: Good morning, ladies and
3 gentlemen. Today is Thursday, June 28th, 2018. This is
4 the Oil Conservation Division examiner hearing, Docket
5 Number 28-18, here in Porter Hall.

6 The first order of business will be to go
7 through the docket with the changes and schedule
8 appearances.

9 First page, there are no changes -- or page
10 2.

11 Page 3, no changes.

12 Page 4, Case Number 16185 has been
13 continued to July 12th. Case 16186 has been continued
14 to July 12th.

15 Page 5, Cases Number 16137 and 16138 have
16 both been continued to July 12th.

17 Page 6, Cases 16139, 16140, 16141 and
18 16041, all the cases on this page have been continued to
19 July 12th.

20 Page 7, Case Number 16042 has been
21 dismissed. Cases 16048, 16206 and 16228 have been
22 continued to July 12th.

23 Page 8, Case Number 16221 has been
24 continued to July 12th.

25 Page 9, Case Number 16251 has been

1 continued to July 26th. Case Numbers 16232 and 16233
2 have both been continued to July 26th.

3 Page 10, Cases 16092 and 16093 have both
4 been continued to July 26th.

5 Page 11, Case 16094 has been continued to
6 July 26th. Case 16166, 16167 and 16168 have been
7 continued to August 23rd.

8 Page 12, Cases 16237 and 16238 have been
9 continued to July 26th. Case 16231 has been continued
10 to July 12th, and Cases 16082 and 16083 have been
11 continued to July 26th.

12 Page 13, Cases 16211, 16212 have continued
13 to July 26th. Case 16252 has been continued to August
14 9th.

15 Page 14, Cases 16253, 16254 and 16255 have
16 been continued to August 9th.

17 Continuing on from page 14 through page 15
18 and page 16, Cases 16061, 16062, 16063, 16064, 16065,
19 16066, 16067 and 16068 have all been continued to July
20 26th, and those are consolidated cases. Cases 16234 and
21 16235 have been continued to the July 12th docket.

22 Finishing off on page 16 to page 17, Cases
23 Number 16183, 16184 have been continued to July 12th,
24 and then Cases 16244 and 16245 have been continued to
25 July 26th.

1 Page 18, Cases 16246, 16247, 16248 and
2 16249 have been continued to the July 26th docket. Case
3 16175 has been dismissed.

4 Page 19, Cases 16108, 16215 have been
5 continued to the July 12th docket. And then Cases 16163
6 and 16164 have been continued to the July 26th docket to
7 be held -- it's my understanding there will be an
8 attempt to get a special hearing docket for that one.

9 And moving from 19 to page 20, Cases 16258,
10 16259, 16260 and 16261 have all been continued to the
11 July 12th docket.

12 And that is the end of the changes.

13 Any other additions, subtractions or
14 corrections?

15 MS. BRADFUTE: Mr. Examiner, Jennifer
16 Bradfute. On pages 2 and 3, Cases 16076, 16077, 16024,
17 16161 and, on page 3, 16162 have all been continued to a
18 special docket on July the 13th.

19 EXAMINER GOETZE: When did this happen?

20 MS. BRADFUTE: About a week or two ago.

21 MR. FELDEWERT: Yeah.

22 EXAMINER GOETZE: When Mr. Jones was in
23 charge?

24 MS. BRADFUTE: Yes. Yes.

25 MR. FELDEWERT: We'll blame it on him.

1 (Laughter.)

2 EXAMINER GOETZE: Okay. Thank you.

3 MR. BRUCE: Mr. Examiner --

4 EXAMINER GOETZE: I just talked to you.

5 What do you have now?

6 MR. BRUCE: Well, I have an older one, Case
7 67, page 17, 16236. Please continue that one to July
8 12th.

9 EXAMINER GOETZE: Any other corrections,
10 additions or subtractions?

11 Very good.

12 Shall we make a little announcement about
13 the rule change?

14 EXAMINER BROOKS: Yes. The rules have
15 changed.

16 (Laughter.)

17 MR. HALL: What do they say?

18 EXAMINER BROOKS: The revised horizontal
19 well rule went into effect on Tuesday. The result of
20 that is that if you have an approved APD that was
21 approved before the new rule came into effect, you do
22 not need a nonstandard spacing unit because the
23 designated -- the old rule said you designate a project
24 area by filing a Form C-102. The new rule says that any
25 approved project area -- that any project area that's in

1 existence on the date that the rule becomes effective
2 becomes a nonstandard spacing unit automatically. So I
3 think so far as it affects what we're doing now, that
4 will be the only one.

5 EXAMINER GOETZE: So be leery and wary and
6 look at your numbers and dates when you make an
7 application for the rule we're going to follow at this
8 point. If you have any questions, you certainly
9 approach us. We may confuse you even more. That's why
10 we're referring to Mr. David Brooks as our --

11 EXAMINER BROOKS: Of course, there is
12 probably very little in your presentation that will be
13 relevant only to your requests for nonstandard spacing
14 units. Probably most all of it is also applicable to
15 your requests for compulsory pooling, which hasn't
16 changed. And I assume all of you are here to get
17 nonstandard spacing units and compulsory pooling. We
18 don't do anything else these days.

19 EXAMINER GOETZE: Very good. In that case
20 we'll get started by clearing up outstanding notice
21 issues.

22 (The pre-hearing proceedings conclude, 8:34
23 a.m.)

24 (8:38 a.m.)

25 EXAMINER GOETZE: Next case is Case Number

1 16002, re-opened, application of Mewbourne Oil Company
2 to re-open Case 16002 for a nonstandard gas spacing and
3 proration unit and compulsory pooling, Eddy County, New
4 Mexico.

5 Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of
7 Santa Fe.

8 Actually, this case and case 15 should both
9 be continued to July 12th to allow publication to lapse.

10 EXAMINER GOETZE: So what, the 16002
11 re-opened? You caught me off guard.

12 MR. BRUCE: 16136 should be continued to
13 July 12th.

14 EXAMINER GOETZE: Okay. So with that, Case
15 16002, re-opened, and Case 16136 will be continued to
16 the July 12th docket.

17 (The pre-hearing proceedings conclude,
18 8:38 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 26th of July 2018.

21

22

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