Page 1

## 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: 21080 through 21083

APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MARCH 5, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH KATHLEEN MURPHY, PHILLIP GOETZE on Thursday, March 5, 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 505-843-9241

Page 2 1 A P P E A R A N C E S 2 For the Applicant: 3 LANCE HOUGH MODRALL SPERLING ROEHL HARRIS & SISK PA 500 4th Street, NW, Suite 1000 4 Albuquerque, NM 87102 5 505-848-9710 deana.bennett@modrall.com б 7 INDEX 8 CASE CALLED 03 9 SUMMARY OF CASE AND EXHIBITS 03 04 TAKEN UNDER ADVISEMENT 10 11 REPORTER CERTIFICATE 05 12 EXHIBIT INDEX 13 Admitted Exhibits and Attachments Offered 04 14 15 16 17 18 19 20 21 22 23 24 25

HEARING EXAMINER ORTH: Thank you. All right. Let's begin with Case 21080, 81, 82 and 83. I assume they will be consolidated for purposes of presentation since these are compulsory pooling cases relating to wells Dustbowl 1. Appearances please. MR. HOUGH: Good morning Lance Hough from the law firm of Modrall Sperling on behalf of Apache Corporation. will pass out these packets here because I am allowed to present these cases all together consolidated. These are applications for compulsory pooling in Lea County, specifically Sections 11 and 14, Township 19 South, Range 32 East, and to the extent necessary to identify, the landman and geologist have not previously testified before the Division, I have included their qualifications as well as their resume, so if it's necessary I can qualify to testify regarding their respective expertise. HEARING EXAMINER ORTH: Okay, thank you for presenting those. MR. HOUGH: As provided, behind Tab B is my affidavit, which also included with that is the notice, status of mailing and affidavit of publication demonstrating that the cases are in compliance with the notice requirements. So with that, unless the Division has any

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Page 4 questions or concerns, I just request that the affidavit and 1 2 corresponding exhibits be admitted and that the case be taken under advisement. 3 4 (Exhibits offered.) EXAMINER MURPHY: Timely notice? 5 6 MR. HOUGH: Yes. Notice was sent on February 10, so I think 24 days ago, and then publication was published 7 8 February 12 which is 11 days. 9 EXAMINER MURPHY: And your checklist, they look 10 good. Thank you. MR. HOUGH: Yes. 11 12 EXAMINER MURPHY: Sometimes the checklists have 13 been coming in and as they add more wells the font 14 decreases. 15 MR. HOUGH: I tried to avoid that unless I can, but there are four separate checklists, one for each case. 16 17 EXAMINER MURPHY: How you avoid that, there is a tool in Excel, and it's called print area and you extend the 18 print area. So, great, I have no further questions. 19 20 HEARING EXAMINER ORTH: Mr. Goetze? 21 EXAMINER GOETZE: No questions, thank you. 22 HEARING EXAMINER ORTH: Thank very much, Mr. Hough. We will take it under advisement. 23 2.4 (Taken under advisement.) 25

	Page 5
1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
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4	REPORTER'S CERTIFICATE
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6	I, IRENE DELGADO, New Mexico Certified Court
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
11	best of my ability.
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
16	nor related to any of the parties of attorneys in this case
17	and that I have no interest in the final disposition of this
18	case.
19	Dated this 5th of March 2020.
20	
21	Irene Delgado, NMCCR 253
22	License Expires: 12-31-20
23	
24	
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