

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. 21581, 21582

Application of Spur Energy Partners, LLC,  
to Pool Additional Interest Owners Under  
the Terms of Order Nos. R-20642 and  
R-24642-B, Eddy County, New Mexico

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 7, 2020

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Hearing Examiner, Dylan Rose-Coss,  
Technical Examiner, Dean McClure, Technical  
Examiner, via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane  
New Mexico CCR No. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

1 A P P E A R A N C E S.

2 For the Applicant: Julia Broggi, Esq.  
 3 Holland & Hart  
 4 110 North Guadalupe, Suite 1  
 5 Santa Fe, New Mexico 87501  
 6 (505) 988-4421  
 7 jbroggi@hollandhart.com

6	CASE NO. 21581, 21582	PAGE
7	CASE CALLED:	3
8	STATEMENT BY MS. BROGGI:	3
9	INQUIRY BY EXAMINER ROSE-COSS:	5
10	TAKEN UNDER ADVISEMENT:	7

12 E X H I B I T I N D E X

13	APPLICANT EXHIBITS:	ADMITTED
14	A Compulsory Pooling Checklist	7
15	B Copy of Applications	7
16	C Affidavit of Landman Megan Pena	7
17	D Affidavit of Geologist c.J. Lipinski	7
18	E Affidavit of Notice	7

19  
 20  
 21  
 22  
 23  
 24  
 25

1 (Time noted 8:38 a.m.)

2 HEARING EXAMINER BRANCARD: All right. I think  
3 we are back to our next cases here, and that would be Case  
4 No. 21581. Is that correct?

5 Holland & Hart?

6 MS. BROGGI: Mr. Hearing Examiner, Julia Broggi  
7 wit the Santa Fe office of Holland & Hart on behalf of  
8 Applicant Spur Energy Partners, LLC, and we would ask to  
9 consolidate and present both this case and then the  
10 following case 21582 together. And then we were planning  
11 to present them by affidavit.

12 HEARING EXAMINER BRANCARD: These again are  
13 cases to amend the Orders?

14 MS. BROGGI: Well, to add additional pooled  
15 parties under existing Orders, yes, Mr. Examiner.

16 HEARING EXAMINER BRANCARD: Are there any other  
17 interested parties in this matter? And I'm looking at two  
18 cases here, 21581 and 21582.

19 MS. BROGGI: I don't believe there are other  
20 parties.

21 HEARING EXAMINER BRANCARD: Hearing none, you  
22 may proceed.

23 MS. BROGGI: With the application in the first  
24 case 21581 Spur Energy is seeking to pool the additional  
25 interest owner, that's OXY Y-1 Company, under the terms of

1 existing Orders, and those two Orders are R-20642 and  
2 R-20642-B.

3 And similarly in the companion case 21582,  
4 again Spur Energy is seeking to pool the additional owners  
5 of OXY Y-1 under the terms of a different existing Order,  
6 and that Order is R-20643.

7 Once again, the Division should have  
8 received exhibit packets for both of these cases. It's  
9 one exhibit packet for both of the cases.

10 And you will see a Table of Contents up at  
11 the front. Once again it begins with the applications in  
12 both of those cases. Those can be found at Exhibit A and  
13 Exhibit B.

14 And then an affidavit from the landman  
15 Megan Pena, which is found at Exhibit C, with her  
16 accompanying land exhibits which can be found at C-1  
17 through C-6.

18 And finally there is just one interest  
19 owner that we are pooling here, so you'll find Exhibit D  
20 is an affidavit from my law firm signed by Kaitlyn Luck of  
21 Holland & Hart showing that Notice was provided to the  
22 interest owner that we are seeking to pool.

23 One thing that I just want to flag, and we  
24 will correct this, is when I was going through the exhibit  
25 packet, I did notice that the Verification for Notice said

1     that this letter was still in transit. But we checked and  
2     in fact it was delivered at the end of December, so we  
3     will supplement the record to provide accurate  
4     documentation that that letter was provided and Notice of  
5     the hearing was provided to OXY Y-1 Company.

6                     And with that we would move the admission  
7     of Spur Exhibits A through Spur Exhibit D, and then  
8     subject to your questions or other examiner questions, we  
9     would ask that Case Nos. 21581 and 21582 be taken under  
10    advisement.

11                    HEARING EXAMINER BRANCARD: Thank you. Any  
12    questions from the hearing examiners?

13                    EXAMINER ROSE-COSS: Good morning again, Ms.  
14    Broggi.

15                    Just for point of clarification's sake for  
16    myself, these orders were issued and have had an extension  
17    of time added onto them, and now there is additional  
18    parties being added. Is that what is going on here?

19                    MS. BROGGI: Yes. But just to clarify, it's one  
20    additional pooled party under both of the Orders.

21                    EXAMINER ROSE-COSS: Okay. I see. And I assume  
22    that is spelled out somewhere in the exhibit packet.

23                    Is it Len Mayer? Len Mayer Meyer is the  
24    name of the well? I'm slightly confused, too, because Len  
25    Mayer is the name of the well name family, and then

1 Nirvana is the name of the...

2 MS. BROGGI: Just to clarify: Nirvana is the  
3 name of the well family, and I think that Len Mayer is the  
4 well that was used for the Gamma Ray-Neutron log.

5 EXAMINER ROSE-COSS: Oh, I see.

6 MS. BROGGI: But it's Nirvana #1H, #2H.

7 Is it just two wells? Let me see here.

8 EXAMINER ROSE-COSS: I didn't know if there was  
9 some music reference I didn't get.

10 EXAMINER McCLURE: Just two wells? I'm sorry.

11 MS. BROGGI: There is a theme here of '90s music  
12 bands that you'll see in the next couple of cases. But  
13 yes, the family of wells is Nirvana.

14 EXAMINER McCLURE: Oh, there is.

15 MS. BROGGI: There's a third well.

16 EXAMINER McCLURE: There is a 3H. I apologize.  
17 I see the 3H well.

18 MS. BROGGI: So really we're just asking that  
19 this one party OXY Y-1 company be pooled under the terms  
20 of these existing Orders.

21 EXAMINER ROSE-COSS: I see. Well, thank you for  
22 that clarification, Ms. Broggi. Those are all my  
23 questions.

24 MS. BROGGI: Thank you.

25 EXAMINER McCLURE: Yeah, Examiner McClure. I

1 have no questions at this time.

2 HEARING EXAMINER BRANCARD: Thank you. Are  
3 there any other interested parties for comments on these  
4 two Applications for Cases 21581 and 21582?

5 Hearing none.

6 You are complete with your presentation,  
7 Ms. Broggi?

8 MS. BROGGI: Yes, Mr. Examiner. We would move  
9 the admission of those exhibits and ask that the cases be  
10 taken under advisement.

11 HEARING EXAMINER BRANCARD: So these are  
12 combined cases 21581, 21582, and we are admitting the  
13 exhibits and we are taking under advisement, but I assume  
14 we are leaving the record open for you to supplement it.  
15 Is that correct?

16 MS. BROGGI: Yes. Actually you are correct. We  
17 do need to provide that one supplementation. So thank you  
18 for catching that. We will provide that quickly because  
19 we were able to verify it last night.

20 HEARING EXAMINER BRANCARD: Thank you.

21 (Time noted 8:44 a.m.)

22

23

24

25

1     STATE OF NEW MEXICO             )  
2   : SS  
3     COUNTY OF TAOS                 )

4

5   REPORTER'S CERTIFICATE

6                     I, MARY THERESE MACFARLANE, New Mexico Reporter  
7     CCR No. 122, DO HEREBY CERTIFY that on Thursday,  
8     January 7, 2021, the proceedings in the above-captioned  
9     matter were taken before me; that I did report in  
10    stenographic shorthand the proceedings set forth herein,  
11    and the foregoing pages are a true and correct  
12    transcription to the best of my ability and control.

13                    I FURTHER CERTIFY that I am neither employed by  
14    nor related to nor contracted with (unless excepted by the  
15    rules) any of the parties or attorneys in this case, and  
16    that I have no interest whatsoever in the final  
17    disposition of this case in any court.

18

                                  /s/ Mary Macfarlane

19

20   \_\_\_\_\_  
21   Mary Therese Macfarlane, CCR  
  NM Certified Court Reporter No. 122  
  License Expires: 12/31/2021

22

23

24

25