

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 NO. 21583

Application of Spur Energy
Partners, LLC, for Compulsory
Pooling, 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
 (505) 988-4421
 jbroggi@hollandhart.com

6 CASE NO. 21583	PAGE
7 CASE CALLED:	3
8 STATEMENT BY MS. BROGGI:	3
9 TAKEN UNDER ADVISEMENT:	6

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

11 APPLICANT EXHIBITS	ADMITTED
12 A Compulsory Pooling Checklist	6
13 B Copy of Application	6
14 C Affidavit of Landman Megam Pena	6
15 D Affidavit of Geologist C.J. Lipinski	6
16 E Affidavit of Notice	6
17 F Affidavit of Publication	6

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

2 HEARING EXAMINER BRANCARD: All right. So
3 moving on here to Case 21583, 21584. This is also Spur
4 Energy Partners, LLC. And Rock man, as always.

5 MS. BROGGI: Yes. Once again, Julia Broggi with
6 Holland & Hart on behalf of he Applicant here, Spur Energy
7 Partners, and we are planning to present this case by
8 affidavit.

9 (Note: Pause.)

10 May I proceed?

11 HEARING EXAMINER BRANCARD: Hearing none, you
12 may proceed.

13 MS. BROGGI: With this application Spur Energy
14 is seeking to pool all of the uncommitted interests in the
15 Yeso Formation in the 160-acre horizontal spacing unit
16 comprised of the south half of the south half of Section
17 18, Township 18 South, Range 27 East, NMPM Eddy County,
18 New Mexico.

19 The one sort of wrinkle here is that there
20 is a depth severance here so Spur Energy is only seeking
21 to pool from below the depth severance. So that's at
22 3,001 feet to the base of the Yeso Formation.

23 As I mentioned before you should have
24 received an exhibit packet with a Table of Contents up at
25 the front showing that Exhibit A is the Compulsory Pooling

1 Application Checklist for this case; the application in
 2 Case No. 21583 is included as exhibit B; and then after
 3 that you'll find the affidavit from the landman ** Meghan
 4 Pina, which is Exhibit C, and her corresponding land
 5 exhibits which have been marked C1 through C4. Exhibit D.
 6 is an affidavit from the geologist C.J. Lipinski, and the
 7 corresponding geology exhibits which can be found at
 8 Exhibit D-1 through D-4.

9 And then Exhibit E is once again an
 10 affidavit from my law firm signed by Kaitlyn Luck showing
 11 that notice of this hearing was provided to all parties.

12 My understanding is that all parties were
 13 locatable but out of an abundance of caution we did
 14 provide Notice of the hearing by publication, and
 15 Affidavit of Publication can be found at Exhibit F.

16 And at this point we would move the
 17 admission of Spur Exhibits A through Spur Exhibit F.

18 HEARING EXAMINER BRANCARD: Okay. Are there any
 19 other comments on this application?

20 This is a compulsory pooling application.
 21 Do we need to qualify these experts?

22 MS. BROGGI: You will see that on both of
 23 affidavits they have testified that they have previously
 24 testified before the Division and that the credentials
 25 have been accepted as experts in both petroleum land

1 matters and Petroleum geology.

2 HEARING EXAMINER BRANCARD: Okay. Any questions
3 from the examiners?

4 EXAMINER ROSE-COSS: Good morning again, Ms.
5 Broggi.

6 I'd be curious just for a little more
7 information on the depth severance. Is it above or below,
8 and where may I find it handled in the exhibit packet?

9 MS. BROGGI: That's going to be addressed in the
10 affidavit of the landman, which is Exhibit C, and you'll
11 see that we -- as well as the application. But we're
12 seeking to pool below the depth severance. So with that
13 you will see a paragraph 5 the depth of 3,001 feet to the
14 base of the Yeso Formation.

15 To be honest, you will also see that it's
16 addressed in the geology exhibits, as well, which are
17 Exhibit D.

18 And I think there is an explanation --
19 yeah, if you look at paragraph 9 of the landman's
20 affidavit you will see the basis for why there is a depth
21 severance in this case, and it identifies the agreements
22 that have created that, or where it's reflected.

23 EXAMINER ROSE-COSS: Okay. Perfect.

24 Well, that's my question, and I do not have
25 any others.

1 MS. BROGGI: Thank you.

2 EXAMINER McCLURE: Examiner McClure. I have no
3 questions at this time.

4 MS. BROGGI: If there are no further questions
5 then we would ask that Case No. 21583 be taken under
6 advisement.

7 HEARING EXAMINER BRANCARD: Thank you. I'll
8 just leave the record open here for a second if there are
9 any other parties wishing to comment on this application.

10 Hearing none, we will agree to the
11 qualification of the witnesses as experts, we will admit
12 the exhibit in this case, and take Case 21583 under
13 advisement.

14 Thank you, Ms. Broggi.

15 MS. BROGGI: Thank you.

16 (Time noted 8:49 a.m.)

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

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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

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

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