

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. 21584, 21585

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:

3 Julia Broggi, Esq.
 4 Holland & Hart
 110 North guadalupe, Suite 1
 Santa Fe, New mexico 87501
 5 (505) 988-4421
 jbroggi@hollandhart.com

6 I N D E X

7	CASE NOS. 21584,21595	PAGE
8	CASE CALLED:	3
9	STATEMENT BY MS. BROGGI:	3
10	TAKEN UNDER ADVISEMENT:	7

11
 12
 13 E X H I B I T I N D E X

14	SPUR ENERGY PARTNERS EXHIBITS	ADMITTED
15	A Compulsory Pooling Application	7
16	B Applications	7
17	C Affidavit of Landman Megan Pena's with attachments	7
18	D Affidavit of Geologist C.J. Lipinski with attachments	7
19	E Affidavit re Notice	7
20	F Notice of Publication	7

21
 22
 23
 24
 25

1 (Time noted 8:50 a.m.)

2 HEARING EXAMINER BRANCARD: So I will call the
3 next case.

4 As you can see, someone has just given me a
5 headset to put on, and being brand new with this
6 technology I have no idea idea how I sound. You all sound
7 better. Of course when I put the headset on they had set
8 the volume at 99 so everybody came in really loud.

9 Anyway, sort of look like a helicopter
10 pilot here.

11 Well, I will call Case 21584, Spur Energy
12 Partners. And I think we've moved on to Radiohead.

13 MS. BROGGI: Yes. Our new band is Radiohead.
14 Once again, Julia Broggi with Holland & Hart on behalf of
15 Applicant Spur Energy Partners, LLC. And we are asking to
16 consolidate this case with the next one, which is 21585
17 and, we would like to present both of these cases by
18 affidavit.

19 HEARING EXAMINER BRANCARD: Okay. Thank you.

20 Are there any other interested parties in
21 either 21584 or 21585?

22 Hearing none.

23 So you're going to provide two compulsory
24 pooling applications at the same time; is that correct?

25 MS. BROGGI: Yes.

1 HEARING EXAMINER BRANCARD: Okay. You may
2 proceed.

3 MS. BROGGI: I'll explain the reason why they
4 have been consolidated.

5 In both of these cases Spur Energy is
6 seeking to pool all of the uncommitted interests in the
7 Yeso Formation in a 200-acre spacing unit comprised of the
8 north half of the south half of Section 28, and the
9 northeast quarter of the southeast quarter Section 29,
10 Township 18 South, Range 26 East, NMPM, Eddy County, New
11 Mexico.

12 Once again these cases, this formation does
13 have a depth severance in it, so Case No. 21584 is seeking
14 to pool the uncommitted interests above the depth
15 severance, and then the corresponding Case 21585 is
16 seeking to pool all of the uncommitted interests below the
17 depth severance.

18 Just to orient you a bit -- well, let me
19 show you what's in the exhibit packet and then I can
20 orient you with a little bit more information about the
21 depth severance, if you would like that.

22 Once again you should have received once
23 again one packet of exhibits for both these cases. You
24 will see at the front our usual Table of Contents showing
25 that the Compulsory Pooling Application Checklist is

1 Exhibit A. Both of the applications have been included as
2 Exhibit B. Then you will find the affidavit of the
3 landman Megan Pena as Exhibit C, and then her
4 corresponding land exhibits, which have been marked Spur
5 Exhibit C-1 through Spur Exhibit C-5.

6 In her affidavit you'll see at both
7 paragraph 5 and then paragraph 11, you'll see that in the
8 first case we are seeking to pool at a depth of 3,200 feet
9 to the top of the Yeso Formation, and then in the other
10 case, 21585, we are seeking to pool from a depth of 3,201
11 feet to the base of that pool.

12 Then finally -- or not finally but we also
13 have an affidavit from the geologist, which has been
14 marked as Exhibit D. That is C.J. Lipinski, and then the
15 corresponding geology exhibits to that affidavit, which
16 are Exhibit D-1 through D-4.

17 We have an affidavit from my office signed
18 by Attorney Kaitlyn Luck showing that we provided Notice
19 of this hearing to the interested parties.

20 Once again, my understanding is that all
21 parts were locatable but that out of an abundance of
22 caution we also provided Notice of the hearing by
23 publication, and the affidavits of those Notice by
24 Publication are included as Exhibit F.

25 So at this point Spur Energy would move the

1 admission of Spur Exhibits A through Exhibit F.

2 HEARING EXAMINER BRANCARD: Okay. And you have
3 the qualifications of the witnesses?

4 MS. BROGGI: To be fair, they are actually the
5 same witnesses in all of these Spur Energy cases.

6 HEARING EXAMINER BRANCARD: Oh, okay. Fine.

7 MS. BROGGI: And I think I have a couple more.

8 But, yes, once again they have testified
9 before the Division and they include in their affidavit
10 that their credentials have been accepted by the Division.

11 HEARING EXAMINER BRANCARD: Hearing examiners,
12 any questions?

13 EXAMINER ROSE-COSS: Thank you for your
14 explanation, Ms. Broggi. I do not have any questions at
15 this time.

16 MS. BROGGI: Thank you.

17 EXAMINER ROSE-COSS: You're muted, Dean. I
18 unmuted you now.

19 We still can't hear you.

20 EXAMINER McCLURE: Can you hear me now?

21 EXAMINER ROSE-COSS: Yes.

22 EXAMINER McCLURE: I apologize. I had to cough
23 earlier and forgot to unmute myself again. Yeah.

24 Now, it looks like, though, there is a
25 difference in ownership that cuts right in the middle of

1 this pool here. Considering that you're getting a CP case
2 for above and below where the depth severance is, is my
3 assumption correct, then, that you're going to keep the
4 wells, once the lateral's drilled, separated between these
5 two ownerships. Is that correct?

6 MS. BROGGI: Yes, that's my understanding.

7 EXAMINER McCLURE: That was my only question.
8 Thank you.

9 MS. BROGGI: If there are no further questions,
10 we would ask that Case Nos. 21584 and 21585 be taken
11 under advisement.

12 HEARING EXAMINER BRANCARD: Thank you. Are
13 there any other comments from the audience, any parties?

14 Hearing none, we will admit the exhibits in
15 cases 21584 and 21585 and take the cases under
16 consideration. Okay.

17 (Time noted 8:56 a.m.)

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO)

2 : SS

3 COUNTY OF TAOS)

4 REPORTER'S CERTIFICATE

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

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

17 /s/ Mary Macfarlane

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

21

22

23

24

25