

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:

ORIGINAL

CASE NO. 15172

APPLICATION OF THE OIL CONSERVATION
DIVISION OF THE ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT UPON ITS
OWN MOTION FOR AN ORDER CREATING A
NEW MANCOS OIL POOL FOR HORIZONTAL
WELL DEVELOPMENT SOLELY WITHIN THE
WPX PROJECT AREA AS DEFINED IN CASE
15102, ORDER NUMBER R-13817, IN
SANDOVAL AND RIO ARriba COUNTIES,
NEW MEXICO, HEREBY THE NORTHEAST
CHACO HORIZONTAL WELL OIL POOL, AND
GIVING NOTICE TO ALL SUCH PERSONS AND
PARTIES INTERESTED IN THE SUBJECT
MATTER THEREOF TO SHOW CAUSE WHY SUCH
A NORTHEAST CHACO HORIZONTAL WELL OIL
POOL SHOULD NOT BE MADE.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 4, 2014

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Scott Dawson,
Chief Examiner, on Thursday, September 4, 2014, 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

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APPEARANCES

FOR APPLICANT NEW MEXICO OIL CONSERVATION DIVISION,
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT:

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EXHIBITS OFFERED AND ADMITTED

WPX Energy Production Exhibit Numbers 1 and 2	5
NMOCD Exhibit Letter A (Exhibit not provided to the court reporter; not attached to this record.)	6

1 (8:20 a.m.)

2 EXAMINER DAWSON: Good morning, ladies and
3 gentlemen. This is the New Mexico Oil Conservation
4 Division Examiner Hearings for September 4th, 2014. We
5 are located in Porter Hall, the Wendell Chino Building,
6 at 1220 South St. Francis, Santa Fe, New Mexico.

7 My name is Scott Dawson. I am the Hearing
8 Examiner for Case 15172, and I'm also the deputy
9 director for the Oil Conservation Division. Today we
10 will hear Case 15172. It's in the matter of the
11 application of the Oil Conservation Division of the
12 Energy, Minerals and Natural Resources Department upon
13 its own motion for an order creating a new Mancos oil
14 pool for horizontal well development solely within the
15 WPX Project Area as defined in Case 15102, Order Number
16 R-13817, in Sandoval and Rio Arriba Counties,
17 New Mexico, hereby the Northeast Chaco Horizontal Well
18 Oil Pool, and giving notice to all such persons and
19 parties interested in the subject matter thereof to show
20 cause why such a Northeast Chaco Horizontal Oil --
21 Horizontal Well Oil Pool should not be made. And I've
22 had a chance to read and review the application of Case
23 15172.

24 I'm going to ask for appearances and
25 witnesses.

1 Mr. Feldewert, you want to go first?

2 MR. FELDEWERT: Sure. Mr. Examiner,
3 Michael Feldewert appearing on behalf of WPX Energy in
4 this matter. I do not have any witnesses, but I do have
5 two exhibits.

6 EXAMINER DAWSON: Okay.

7 MR. WADE: Gabriel Wade on behalf of the
8 New Mexico Oil Conservation Division. We have one
9 exhibit, the affidavit of Bill Hoppe, Aztec District 3,
10 geologist.

11 EXAMINER DAWSON: Okay. Can I see your
12 exhibits?

13 MR. FELDEWERT: Certainly. If I may
14 approach.

15 EXAMINER DAWSON: Sure.

16 MR. FELDEWERT: Mr. Examiner, we are here
17 in support of the application of this pool for the
18 communitized area that was approved by Division Order
19 R-13817. And as you've probably noted from that order,
20 ordering paragraph number eight required final approval
21 of the communitization agreement by both the Bureau of
22 Land Management and the New Mexico State Land Office.
23 This matter has been continued, I believe, twice to
24 allow for necessary final approval to occur. I am happy
25 to report that both agencies have now provided final

1 approval for this communitization agreement. And I
2 would offer WPX Exhibit Number 1, which is the final
3 approval letter that was issued by the Bureau of Land
4 Management. It comprises two pages. And then also WPX
5 Exhibit Number 2, which is the final approval letter
6 from the Commissioner of Public Lands. It comprises a
7 total of five pages, because I think it has duplicate
8 copies of the certificate of approval.

9 I would move the admission of these two
10 letters into the record, and I ask that the Division
11 proceed as soon as possible with the creation of this
12 horizontal well oil pool sought under this application
13 because then that will fully implement the order that
14 was issued by the Division back in May of 20- -- of this
15 year.

16 (WPX Energy Production Exhibit Numbers 1
17 and 2 were offered into evidence.)

18 EXAMINER DAWSON: Do you have any
19 objection, Mr. Wade?

20 MR. WADE: Well, the OCD brought the
21 application, so no objection. We brought the
22 application under 19.15.12(A) --(8) of the OCD rules.
23 We ask that a new Mancos oil pool for horizontal well
24 development be formed and to be named the Northeast
25 Chaco Horizontal Oil Pool.

1 In support of the application, we did
2 submit and you have in front of you an affidavit of Bill
3 Hoppe marked as Exhibit A. We ask that that be moved
4 into admission into the record. Bill Hoppe is the
5 District 3 geologist.

6 Again, we just request that the pool be
7 formed and you take the information that is provided to
8 you under advisement.

9 (NMOCD Exhibit Letter A was offered into
10 evidence.)

11 EXAMINER DAWSON: Okay. Mr. Feldewert, did
12 you get a chance to read the affidavit?

13 MR. FELDEWERT: I did, and I have no
14 objections to the introduction of that affidavit.

15 EXAMINER DAWSON: Okay. I have read and
16 reviewed the affidavit, also.

17 And do either of you have any other
18 questions or any other thing to add?

19 MR. WADE: The OCD does not.

20 EXAMINER DAWSON: Okay. Do you have
21 closing statements or anything else?

22 MR. FELDEWERT: No, Mr. Examiner, other
23 than, as you can imagine, we would appreciate the
24 issuance of an order creating this pool, because the
25 order that was issued by the Division back in May of

1 2014 -- 2014 does not become effective until we have the
2 final approvals in any pool being created. So the last
3 step in this process is creation of this pool.

4 EXAMINER DAWSON: Okay. I have no
5 questions. This case will be taken under advisement,
6 and that will conclude today's hearing for Case 15172.

7 Thank you.

8 MR. FELDEWERT: Thank you.

9 EXAMINER DAWSON: I will relinquish it to
10 Mr. Goetze, now.

11 Thank you, Mr. Goetze.

12 EXAMINER GOETZE: You're welcome.

13 (Case Number 15172 concludes, 8:25 a.m.)
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20 I do hereby certify that the foregoing is
21 a complete record of the proceedings in
22 the Examiner hearing of Case No. _____
23 heard by me on _____.

_____, Examiner
Oil Conservation Division

24
25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified
6 Court Reporter No. 20, and Registered Professional
7 Reporter, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that
9 the foregoing pages are a true and correct transcript of
10 those proceedings that were reduced to printed form by
11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's
13 Record of the proceedings truly and accurately reflects
14 the exhibits, if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither
16 employed by nor related to any of the parties or
17 attorneys in this case and that I have no interest in
18 the final disposition of this case.

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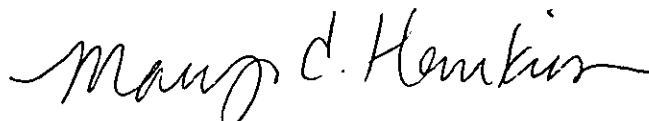
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MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters, Inc.
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2014