

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE 15375

APPLICATION OF WPX ENERGY PRODUCTION, LLC, FOR
APPROVAL OF THE KIMBETO WASH UNIT; CREATION OF A NEW
POOL FOR HORIZONTAL DEVELOPMENT WITHIN THE UNIT
AREA, AND FOR ALLOWANCE OF 330 FOOT SETBACKS FROM THE
EXTERIOR OF THE PROPOSED UNIT, SAN JUAN COUNTY, NEW
MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 17, 2015

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
GABRIEL WADE, LEGAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Michael McMillan,
Chief Examiner, and Gabriel Wade, Legal Examiner, on
September 17, 2015, 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.

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I N D E X

CASE NUMBER 15375 CALLED

WPX ENERGY PRODUCTION, LLC,
CASE-IN-CHIEF:

WITNESS BRENNAN WEST

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WITNESS AMY M. RICHARDSON

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1 (Time noted 8:36 a.m.)

2 EXAMINER McMILLAN: At this time I would
3 like to call case No. 15375, Application of WPX Energy
4 Production, LLC, For Approval of the Kimbeto Wash Unit;
5 Creation of a New Pool For Horizontal Development Within
6 The Unit Area, and For Allowance of 330 Foot Setbacks
7 from the Exterior of the Proposed Unit, San Juan County,
8 New Mexico.

9 Call for appearances.

10 MS. KESSLER: May it please the Examiner,
11 Jordan Kessler and Michael Feldewert from the Holland
12 and Hart Office in Santa Fe for the applicant.

13 EXAMINER McMILLAN: Are there any other
14 people who would like to make an appearance?

15 (Hands raised in response.)

16 EXAMINER WADE: If you could stand up and
17 state your names, please.

18 MS. ARVISO: My name is Etta Arviso. And
19 I'm a land owner on allotment land.

20 EXAMINER WADE: And you're a land owner on
21 the allotment land in this particular case?

22 MS. ARVISO: Yes, on case No. 15375.

23 EXAMINER WADE: Are you planning on making a
24 comment today?

25 MS. ARVISO: Yes, I am.

1 EXAMINER WADE: Okay.

2 MS. BEGAY: My name is Grace Begay. I have
3 an allotment in the Nageezi area. And I would like to
4 make a comment on what had happened yesterday --
5 yesterday they had a town hall meeting. And I would
6 like to find out more about that.

7 EXAMINER WADE: Okay. We will go ahead and
8 hear the case, and we will hear comments after the case.
9 Sir.

10 MR. LEE: Thank you, Committee members. I
11 am Calvin Lee, Jr., and I'm the attorney. I was
12 recently retained by Ms. Arviso. And I am here with my
13 research associate, Dr. Jack Utter.

14 We will be assisting her. She is going to
15 make a comment.

16 MS. LEVINSON: My name is Charlotte
17 Levinson. When it's appropriate, I wanted to make
18 comments in support of Ms. Arviso.

19 EXAMINER WADE: Okay. Anyone else?

20 (No response.)

21 MS. KESSLER: I have two witnesses today.

22 EXAMINER McMILLAN: If the witnesses would
23 please stand up and be sworn in.

24 (WHEREUPON, the presenting witnesses
25 were administered the oath.)

1 MS. KESSLER: I just have a brief statement
2 before we begin with the testimony of witnesses.

3 In preparation for this hearing, it came to
4 our attention that there is only one pool within the
5 unit area. That's the Basin Mancos Pool. So at this
6 time WPX does not need to combine several pools within
7 the unitized area. And we therefore seek to dismiss the
8 portion of our application that is requesting a new
9 pool.

10 However, as requested in our Application,
11 WPX does seek an exception to the 660 foot setback from
12 the outer boundaries of the unit area. And that
13 exception would be 330 foot setbacks. The Basin Mancos
14 Gas Pool requires 660 foot setbacks, so the 330 foot
15 setback would be an exception. And this is also
16 contained within our application.

17 EXAMINER McMILLAN: Okay.

18 MS. KESSLER: So I would like to call my
19 first witness.

20 EXAMINER McMILLAN: Please proceed.

21 BRENNAN WEST
22 having been first duly sworn, was examined and testified
23 as follows:

24 DIRECT EXAMINATION

25 BY MS. KESSLER:

1 Q. Please state your name for the record and tell
2 the Examiners by whom you're employed and in what
3 capacity.

4 A. My name is Brennan West. I'm employed by WPX
5 Energy as a landman of the San Juan Basin.

6 Q. Have you previously testified before the Oil
7 Conservation Division?

8 A. I have.

9 Q. And were your credentials as a petroleum landman
10 accepted and made a matter of public record?

11 A. They were.

12 Q. Are you familiar with the application that has
13 been filed in this case?

14 A. I am, yes.

15 Q. And are you familiar with the status of the lands
16 in the proposed unit area?

17 A. Yes.

18 MS. KESSLER: Mr. Examiner, I would tender
19 Mr. West as an expert in petroleum land matters.

20 EXAMINER McMILLAN: So qualified.

21 Q. Please turn to Exhibit 1 and identify this
22 exhibit and describe what WPX seeks under this
23 application.

24 A. Exhibit 1 is a map of the Kimbeto Wash. We are
25 seeking for approval of the voluntary exploratory unit

1 that consists of 5,279.2 acres.

2 Q. And does the acreage include both Indian and
3 federal lands?

4 A. That is correct. It includes both Indian
5 allotted and BLM tracts.

6 Q. What lands is the acreage comprised of?

7 A. The Kimbeto Wash is made up of section 17, 18,
8 19, 20, the west half of 21, the west half of 28, 29,
9 30, the northeast quarter of 31, 32, all of it being in
10 23 north, 9 west.

11 Q. What pool is within the unitized area?

12 A. Sorry?

13 Q. What pool is within the unitized area?

14 A. The unitized area is all within the Basin Mancos
15 Gas Pool.

16 Q. Is that pool code 97232?

17 A. It is, yes.

18 Q. Does WPX expect to primarily produce oil from the
19 unitized area?

20 A. We do.

21 Q. And are you also seeking 330 foot setbacks from
22 the outer boundary of unit?

23 A. Yes, we are.

24 Q. Is this an exception to the well location
25 requirements of the Basin Mancos Gas Pool?

1 A. That is correct.

2 Q. Would you please turn to Exhibit 2 and identify
3 this exhibit for the Examiners.

4 A. Exhibit 2 is the unit agreement for the Kimbeto
5 Wash, your standard exploratory unit agreement, with the
6 exception that it is horizontal specific and that it
7 treats the entire unit area as a single participating
8 area.

9 Q. And are those modifications contained in
10 paragraphs 2 and 11 respectively?

11 A. Yes, they are.

12 Q. Under Division rules, is the unit area to be
13 treated as a single project area?

14 A. Yes, it is.

15 Q. Is that described in paragraph 11?

16 A. It is.

17 Q. Can you identify how production will be
18 allocated?

19 A. Production will be allocated based on an acreage
20 contribution basis.

21 Q. Is that also described in paragraph 11?

22 A. Yes, it is.

23 Q. What is Exhibit A to the unit agreement?

24 A. Exhibit A is a schedule that breaks out the unit
25 land by tract and leases and shows the working interest

1 of lessee of record and the overriding royalty interest
2 owner for each tract.

3 Q. Mr. West, I think you may be looking at
4 Exhibit B.

5 A. Exhibit A to the unit agreement is a map of the
6 Kimbeto Wash unit that shows all of the leases and
7 breaks it out by tract and also identifies which are
8 Indian allotted and which are BLM leases.

9 The unit is comprised of 46 percent Federal and
10 54 percent allotted lands.

11 Q. And Exhibit B is an ownership breakdown; is that
12 correct?

13 A. That is correct. It's a schedule which breaks
14 down the interest by tract.

15 Q. And what is Exhibit C?

16 A. It is the type log that shows our unitized
17 interval.

18 Q. Mr. West, how many leases are within the unitized
19 area?

20 A. There are a total of 21 leases, eighteen of them
21 being allotments and three of them, BLM leases.

22 Q. Is there any unleased acreage?

23 A. There is not.

24 Q. Does WPX hold all of the interests in these
25 leases?

1 A. We do not.

2 Q. Who are the other working interest owners?

3 A. Encana, Dugan, Santo Legato, and XTO Energy all
4 own a working interest.

5 Q. And have the other working interests agreed to
6 participate in the unit?

7 A. Yes. We have sent them the unit agreement and
8 they've verbally communicated that they are on board and
9 we are working through the JOA.

10 Q. You previously stated that Indian allotted leases
11 are within the unit area; is that correct?

12 A. That is correct.

13 Q. Who administers allotted leases?

14 A. The Federal Indian Minerals Office in Farmington,
15 New Mexico oversees the allotment acreage.

16 Q. And will FIMO issue final approval of the unit
17 agreement?

18 A. Yes, they will. They'll issue an final approval
19 letter.

20 Q. And will the BLM?

21 A. They will do the same.

22 Q. Is Exhibit 3 a copy of the preliminary approval
23 letter issued by the BLM?

24 A. Yes, it is.

25 Q. Have you met with representatives of BLM and

1 FIMO?

2 A. We have.

3 Q. And when you met with BLM, did they indicate that
4 the preliminary approval letter would include FIMO?

5 A. That is correct, and they are cc'd on this
6 letter.

7 Q. In your discussions with BLM and FIMO, did you
8 review the nature of the unitized area and development
9 plans?

10 A. We did.

11 Q. And in your discussions with BLM, did they also
12 request that you drill an obligation well?

13 A. They did. And it is going to be the Kimbeto Wash
14 786H.

15 Q. Have you included as Exhibit 4 a copy of the
16 development plan presented to the BLM and FIMO?

17 A. We have. And the 787H is in the southwest
18 quarter of our unit.

19 Q. When do you plan to drill that well?

20 A. It is currently on the drill schedule for early
21 next year.

22 Q. And have you already begun staking activities on
23 the well locations?

24 A. We have.

25 Q. In addition to BLM and FIMO approval, did WPX

1 undertake efforts to notify the allottees within the
2 unit area of this application and hearing?

3 A. We did.

4 Q. Approximately how many allottee interest owners
5 were there?

6 A. There are about 1,000 allottees.

7 Q. Did you have an address for all these owners?

8 A. We did not.

9 Q. Did you receive information on the addresses of
10 the allottee owners from FIMO?

11 A. We did.

12 Q. So were all allottee interest owners of record as
13 identified by FIMO provided timely notice of this
14 hearing?

15 A. They were, yes.

16 Q. Is Exhibit 5 an affidavit with attached letters
17 providing notice of this application and hearing to
18 allottees with addresses?

19 A. It is.

20 Q. Is a list of those allottees along with tracking
21 numbers for the notice letters included as part of
22 Exhibit 5?

23 A. They are.

24 Q. And in addition to notice of this hearing, did
25 allottee owners also receive an invitation to an

1 informational meeting?

2 A. Yes, they did.

3 Q. What was the nature of that meeting?

4 A. We held a meeting yesterday in Farmington, held
5 it at the college, and just invited all the allottees
6 and gave them kind of a general overview of what our
7 plans are and addressed any questions that they may
8 have.

9 Q. Does Exhibit 5 also provide notice of this
10 application of hearing to the working interest owners
11 and offset parties?

12 A. It does.

13 Q. And notice was provided to the affected tracts
14 for the MSL request due to potential encroachment on
15 surrounding land; is that correct?

16 A. That is correct.

17 Q. Were Exhibits 1 through 4 prepared by you or
18 compiled under your direction and supervision?

19 A. They were.

20 MS. KESSLER: Mr. Examiner, I move admission
21 of Exhibits 1 through 5, which includes my notice
22 affidavit.

23 EXAMINER McMILLAN: Exhibits 1 through 5 are
24 now a part of the record.

25 (WPX ENERGY PRODUCTION, LLC, Exhibits 1

1 through 5 were offered and admitted.)

2 MS. KESSLER: That concludes my examination
3 of this witness.

4 EXAMINATION BY EXAMINER McMILLAN

5 EXAMINER McMILLAN: Okay. The first
6 question I have is were all the royalty override working
7 interests notified?

8 THE WITNESS: The royalty interests were
9 notified; the overrides were not. I've reviewed all the
10 instruments that created the override, and we are
11 confident that when we submit them to the BLM, that they
12 will be committed to the unit -- once the BLM approves
13 it.

14 EXAMINER McMILLAN: And the next question I
15 have is you stated that the primary objective will be
16 oil, right?

17 THE WITNESS: Right.

18 EXAMINER McMILLAN: And you are not asking
19 for a new pool, and the Basin Mancos is a gas pool.
20 And, remember, the Basin Mancos does -- a gas pool does
21 not have allowables. So, in essence, we are abdicating
22 allowables, right? Isn't that a safe statement?

23 MR. FELDEWERT: Mr. Examiner, I think
24 there's a lot of circumstances of the San Juan Basin
25 where the Mancos Gas Pool exists in which they are

1 producing oil. So this is not unusual.

2 EXAMINER McMILLAN: And I was looking at, I
3 guess, the BLM map, and I noticed that -- is it your
4 West Lybrook east of here?

5 THE WITNESS: It is.

6 EXAMINER McMILLAN: And how come you guys
7 left off section 16?

8 THE WITNESS: We don't own section 16, so we
9 just didn't invite them to join yet. There may be some
10 other issues that could be drilled up, I'm not sure.
11 But I think Encana and Dugan own that tract. They may
12 have other plans to put it into a unit.

13 EXAMINER McMILLAN: Are there any existing
14 wells that have penetrated the Mancos in here?

15 THE WITNESS: Amy, our geologist, will get
16 into that. But the answer is no, there's not any
17 currently within the Kimbeto Wash in the Mancos.

18 EXAMINER McMILLAN: Would you be willing to
19 provide the OCD information of well drainage within 18
20 months?

21 THE WITNESS: I am looking to Ken McQueen.

22 EXAMINER McMILLAN: I will get the geologist
23 to answer that.

24 THE WITNESS: Okay.

25 EXAMINER McMILLAN: I guess I am trying to

1 understand, are you going to dedicate the well to the
2 dedicated acreage or to the entire PA?

3 THE WITNESS: Once it is drilled, it will be
4 dedicated to the entire PA. After the initial well is
5 deemed commercial, the entire unit becomes a
6 participating area and all the interest owners within
7 that PA share on an acreage basis.

8 EXAMINER McMILLAN: Will you be willing to
9 provide the same information to us that you provide the
10 BLM, your yearly plan of development?

11 THE WITNESS: We would be willing to do
12 that.

13 EXAMINER McMILLAN: Go ahead.

14 EXAMINATION BY EXAMINER WADE

15 EXAMINER WADE: If I could refer you to
16 Exhibit 3. And this is the letter from the BLM. I
17 believe that you testified that final approval would
18 also be required by FIMO?

19 THE WITNESS: That's correct.

20 EXAMINER WADE: And that this letter
21 reflects that, that final approval -- okay, go ahead.

22 THE WITNESS: This is just a preliminary
23 letter, that they say that they're on board.

24 But after this hearing and once we get the
25 order, we will go back and resubmit it to the BLM and

1 FIMO, and, at that point, they will issue a letter of
2 final approval.

3 EXAMINER WADE: But that's not reflected in
4 this particular letter?

5 THE WITNESS: Not final approval.

6 EXAMINER WADE: Not final approval -- but
7 what I'm saying is the requirement that FIMO gives final
8 approval is not reflected in this letter, and I thought
9 you had testified that that was the case.

10 THE WITNESS: That is not reflected in this
11 letter, I don't believe, but that is a requirement.

12 EXAMINER WADE: Okay. And if I could point
13 you to Exhibit 5, which is your different notices. And
14 I believe you testified that you did give notice to what
15 I believe is all the allottees that are on this list?

16 THE WITNESS: Yes. If we had an address for
17 them, we gave them notice.

18 EXAMINER WADE: So was there anybody who was
19 unlocateable?

20 THE WITNESS: Yes.

21 EXAMINER WADE: Was there a published
22 notice?

23 THE WITNESS: There was.

24 EXAMINER WADE: I guess I didn't catch that.
25 Where is that?

1 MR. FELDEWERT: Mr. Examiner, we are going
2 to need to continue the case for two weeks to provide
3 that --

4 EXAMINER WADE: Okay. And I know there
5 would be a lot of information to have, but I am assuming
6 you have a lot of green cards and return receipts and
7 some that aren't?

8 MS. KESSLER: 1,000.

9 EXAMINER WADE: Yeah. Are those people that
10 you could not locate whom you've listed specifically?

11 MR. FELDEWERT: Well, as you can imagine, as
12 you flip through this, you've got 1,000 people. We have
13 gone to tracking certifications letters to not burden
14 you with a stack of green cards that are that thick
15 (indicating).

16 They are in various stages; you know, they
17 could be sitting there because people haven't picked
18 them up or they could be returned as non-deliverable.
19 We really have a handle on that for quite some time.

20 So to require any operator to publish notice
21 by name of the individuals whose green cards have not
22 been returned, I am not sure how you put a time frame on
23 that process.

24 EXAMINER WADE: Is there any method of
25 notice that could I guess take care of an issue like

1 that; is there any avenue through FIMO, for example?

2 MR. FELDEWERT: No. FIMO has whatever
3 addresses they have. And I don't -- you would have to
4 ask FIMO as to how up-to-date they are and how
5 comfortable they are with it. But that is all we have
6 to go on, No. 1.

7 No. 2, there will be public notice in the
8 newspaper, and it may not have, you know, a list of
9 names perhaps that long anyway (indicating).

10 But there is going to be some public notice.
11 And I don't know what else you can do.

12 EXAMINER WADE: Which newspaper do you plan
13 on giving notice to?

14 MS. KESSLER: The Farmington Daily Times.

15 MR. FELDEWERT: Farmington. I mean that is
16 what we have used until we are directed otherwise. The
17 rules say newspaper of general circulation within a
18 county. I suppose that gives you a lot of flexibility
19 as to what newspaper to use. But at this point we have
20 used the Farmington.

21 EXAMINER WADE: Okay. And you mentioned the
22 town hall meeting. How many people do you think showed
23 up roughly? Would that be something more for a
24 different witness?

25 THE WITNESS: About 150.

1 EXAMINER WADE: Do you have any questions?

2 EXAMINER McMILLAN: I have no further
3 questions at this time. Thank you very much.

4 THE WITNESS: Thank you.

5 MS. KESSLER: I would like to call my next
6 witness, Mr. Examiner.

7 EXAMINER McMILLAN: Thank you. Please
8 proceed.

9 AMY M. RICHARDSON
10 having been first duly sworn, was examined and testified
11 as follows:

12 DIRECT EXAMINATION

13 BY MS. KESSLER:

14 Q. Please state your name for the record and tell
15 the Examiner by whom you are employed and in what
16 capacity.

17 A. My name is Amy Richardson. I am employed by WPX
18 Energy as the geology manager for the San Juan Basin
19 Asset.

20 Q. Have you previously testified before the Oil
21 Conservation Division?

22 A. I have.

23 Q. And were your credentials as a petroleum
24 geoscientist accepted and made a matter of record?

25 A. They were.

1 Q. Are you familiar with the application that has
2 been filed in this case?

3 A. I am.

4 Q. And have you conducted a geologic study of the
5 lands that are the subject of this application?

6 A. I have.

7 MS. KESSLER: Mr. Examiner, I would tender
8 Ms. Richardson as an expert in petroleum geology.

9 EXAMINER McMILLAN: So accepted. I'm glad
10 to know you're not an expert in geosciences.

11 Q. Are you familiar with the interval being unitized
12 for the Kimbeto Wash Unit?

13 A. I am.

14 Q. Would you please turn to Exhibit 6 and identify
15 this exhibit for the Examiners.

16 A. This is the type log we submitted. It is from
17 the Federal E No. 1 Well, which is in section 17 of
18 township 22 north, range 9 west.

19 And we've identified the entire Mancos interval.
20 So the top of the Mancos is at a measured depth of 2,873
21 in this well, and to the base of the Greenhorn or the
22 top of the Graneros Shale, which is at a depth of 4,680,
23 measured depth in the well.

24 Q. Is this the same lot that is used as Exhibit C to
25 the unit agreement?

1 A. It is.

2 Q. And, in your opinion, does the horizon identified
3 in Exhibit 7 extend across the unitized area?

4 A. It does.

5 Q. And have you brought structure maps and cross
6 sections to support this conclusion?

7 A. I have.

8 Q. Please turn to Exhibit 7 and explain what this
9 map shows.

10 A. This is a structure map on the top of the Mancos
11 Shale. The contour interval over here is 25 feet. And
12 you can see the outline of the Kimbeto Wash unitized
13 area there we're proposing. The red lines represent the
14 cross sections that we will be presenting next. And, in
15 general, the structure is dipping down to the northeast
16 and up towards the southwest. And there does not appear
17 to be any faults or issues within the unitized area we
18 are proposing.

19 Q. Bringing your attention to Exhibit 8, is this the
20 cross section that corresponds with the wells labeled A
21 to A Prime in this prior map?

22 A. This is cross section A to A Prime, which is
23 roughly a long strike trending northwest to southeast.

24 You can see by these wells that the interval that
25 we are proposing for the unit seems rather consistent

1 through the area.

2 Q. What is the significance of the pink boxes?

3 A. The pink boxes indicate where the well was
4 perforated and tested and/or produced. I would mention
5 that those lower pink ones on the first well on the
6 left, the Kimbeto G Federal No. 1 with the X's in them,
7 are actually a bridge plug. And it was perforated up
8 higher in the Mancos.

9 Q. Have you identified consistency across the unit
10 area?

11 A. I have, yes. As you can see, again these are
12 preliminary SP and resistivity logs and some gamma ray.
13 But the section really appears very consistent across
14 the area.

15 Q. If you could turn to Exhibit 9. What does this
16 exhibit show?

17 A. This is cross section B to B prime, which is
18 reflected on the structure map. It's a dip cross
19 section. B is to the north and B Prime to the south.

20 And this is a structural cross section, so you
21 can see, going from north to south, that the structure
22 goes up.

23 And, again, it shows a pretty consistent interval
24 through the area, and, again, with primarily SP and
25 resistivity logs and some gamma ray. Again the interval

1 appears very consistent.

2 Q. What do the resistivity logs show in terms of
3 thickness of the formation in this area?

4 A. The formation all tends to be around 1,800 feet
5 through the area.

6 Q. In your opinion, Ms. Richardson, is the interval
7 that WPX seeks to unitize continuous across the area?

8 A. It is.

9 Q. And have you observed any evidence of faults or
10 pinch-outs or other geologic impediments that will
11 prevent this acreage from contributing to the overall
12 production from the interval?

13 A. I have not.

14 Q. Can this unitized area in your opinion be
15 effectively and efficiently developed under the unit
16 plan?

17 A. I believe so.

18 Q. And turning back to Exhibit 4, can you briefly
19 discuss WPX's development plans for this area?

20 A. Yes. So the red lines on here represent our
21 preliminary planning and where we would like to put
22 laterals in here. The lateral -- there's 25 wells in
23 total and the lateral lengths vary between about
24 5,200 feet and 7,800 feet.

25 They are oriented from the northwest to

1 southeast. We believe that's the best orientation for
2 the laterals to fully develop the resources. And our
3 first well we are planning right now is 787, which is in
4 sort of in the southwest area of the unit.

5 Q. Were WPX Exhibits 6 through 9 prepared by you or
6 compiled under your direction and supervision?

7 A. They were.

8 MS. KESSLER: Mr. Examiner, I move the
9 admission of Exhibits 6 through 9 into evidence.

10 EXAMINER McMILLAN: Exhibits 6 through 9 may
11 now be accepted as part of the record.

12 (WPX ENERGY PRODUCTION, LLC, Exhibits 6
13 through 9 were offered and admitted.)

14 MS. KESSLER: That concludes my examination
15 of this witness.

16 EXAMINATION BY EXAMINER McMILLAN

17 EXAMINER McMILLAN: The first question is is
18 your unitized interval the entire Mancos?

19 THE WITNESS: It is.

20 EXAMINER McMILLAN: And you'll provide
21 drainage information?

22 THE WITNESS: Yes, as you request, we would
23 be happy to provide what information we can.

24 EXAMINER McMILLAN: Now, I guess, I am
25 trying to understand, going back to why you are not

1 asking for a separate pool when it was stated on the
2 record that you want to continue the Basin Mancos,
3 because, remember, you stated it's oil and now you are
4 requesting that this be essentially a gas pool.

5 MR. FELDEWERT: Well, Mr. Examiner, we are
6 not requesting anything. In the past when we have asked
7 to create a special pool for the unitized area, it has
8 always involved a circumstance where you had two or
9 three or four different pools within the unitized. And
10 we requested a single pool to avoid the down hole, the
11 commingling issues that arise with respect to the
12 development within the unit.

13 In this circumstance, as in other
14 circumstances, I think Encana's had a unit where there
15 was just a single pool. We have not asked the Division
16 to create a special pool.

17 Now, does it prevent you from doing whatever
18 you want to do -- but my point is that when we looked at
19 this, there is just one pool that covers this unitized
20 area, and that's why we don't see a need to create a
21 special pool.

22 And if you think about it, if we didn't
23 create the unitized area, this would be developed as
24 individual spacing units and they would be in the Basin
25 Mancos Gas Pool anyway.

1 So that is all that I can offer.

2 EXAMINER McMILLAN: Okay. Do you know that
3 Encana --

4 MR. FELDEWERT: That Gallo Canyon Unit, the
5 first one, it was just a single pool. I don't remember
6 which pool it was.

7 EXAMINER WADE: The application specifically
8 states that you are essentially asking for an exception
9 to the current rule for 330 to setback from the
10 boundary.

11 MR. FELDEWERT: Yes.

12 EXAMINER WADE: That's the request?

13 MR. FELDEWERT: If you split the
14 application, it's got three aspects to it, right? It's
15 got the request to approve the combining of the acreage
16 for a unit. They have a request for the creation of a
17 special pool and an exception to a setback to allow 330
18 foot setbacks.

19 When we looked at this last night, we said
20 we don't have to create a special pool here. Of course,
21 you can do whatever you want to do, but you don't have
22 to.

23 EXAMINER WADE: And there is no development
24 currently within the --

25 THE WITNESS: Right, there's no development

1 within it now.

2 EXAMINER McMILLAN: I guess I failed to ask
3 this. Are these leases segregated such that the lease
4 is only within -- the leases held in the unit don't
5 really pertain to acreage outside of the unit that may
6 be in that lease? I have seen that in the other unit
7 agreements.

8 MR. FELDEWERT: I am wondering if Exhibit A
9 to the unit agreement, which is Exhibit 2, whether that
10 Exhibit A answers your question. I am not 100 percent
11 sure, whether it identifies the leases that are
12 involved.

13 Mr. Examiner, we can recall the land witness
14 and you can ask that question.

15 EXAMINER McMILLAN: Okay. I don't have any
16 more questions. Thank you very much.

17 MR. FELDEWERT: For the record, would you
18 like us to recall the land witness?

19 EXAMINER McMILLAN: Yes.

20 You guys are still under oath.

21 (WHEREUPON, MR. WEST WAS RECALLED TO
22 TESTIFY:)

23 FURTHER EXAMINATION BY EXAMINER McMILLAN

24 THE WITNESS: Section 19 and 30, that is one
25 lease. The other two federal leases have acreage that

1 is outside the Kimbeto Wash Unit, some of which we'd put
2 in our West Lybrook Unit.

3 EXAMINER McMILLAN: I'm sorry. Please
4 explain that again. I apologize.

5 THE WITNESS: Section 19 and 30, that is
6 entirely one lease.

7 EXAMINER McMILLAN: Uh-huh.

8 THE WITNESS: But the other two Federal
9 leases that are subject to this unit boundary have
10 acreage in that lease that are outside this unit.

11 I think that was your question, whether the
12 leasehold within this unit and some of the leases
13 outside of it -- were you talking from a vertical --

14 EXAMINER McMILLAN: No. I am saying the
15 leases that are outside -- so will these leases in here
16 hold those leases that are outside of it?

17 THE WITNESS: Those two leases are already
18 HVP, well past their ten primary term.

19 EXAMINER McMILLAN: Okay. So that issue is
20 taken care of. I have no further questions, and thank
21 you very much.

22 No further questions.

23 I'll tell you what, I want to take a
24 five-minute break.

25 (Brief recess.)

1 EXAMINER McMILLAN: Good morning. Case No.
2 15375 is back on the record. Do you have anything else?

3 EXAMINER WADE: Do you have one more witness
4 in this case?

5 MS. KESSLER: We are only calling two
6 witnesses today.

7 EXAMINER McMILLAN: Because your application
8 shows three. Well, then at this time --

9 EXAMINER WADE: We have to continue the
10 case.

11 EXAMINER McMILLAN: The case will have to be
12 continued for two weeks for notices.

13 EXAMINER WADE: Is two weeks going to be
14 sufficient?

15 MR. FELDEWERT: I hope so.

16 EXAMINER McMILLAN: And we would like the
17 people that signed up, if they would like, they can have
18 the opportunity to speak.

19 EXAMINER WADE: If you could stand and state
20 your name. And if you would like to sit, you may.

21 MS. ARVISO: Good morning. My name is Etta
22 Arviso.

23 EXAMINER WADE: Can I ask you a question
24 before you start?

25 MS. ARVISO: Sure.

1 EXAMINER WADE: The lands that you have, are
2 they within this particular unit?

3 MS. ARVISO: Yes.

4 EXAMINER WADE: They are?

5 MS. ARVISO: Yes.

6 EXAMINER WADE: You may proceed.

7 MS. ARVISO: On case No. 15375, and I did
8 get a certified letter. And I am a landowner on
9 allotment land. And I'm an inheritor by my grandfather
10 in the Kimbeto area. So I am the landowner and the next
11 of kin.

12 So I am here. Thank you for allowing me to
13 speak, Commissioner and attorney and then everybody that
14 is here today.

15 I was there yesterday at that so-called town
16 hall meeting. And it was an uncomplete presentation.
17 Last month when I was here also as a landowner
18 testifying, I did make it clear to WPX that if they do
19 any presentation, they should be able to have a Power
20 Point to show pictures of what the construction is going
21 to look like and what they are asking.

22 They did not do that. A piece of paper like
23 this (indicating), a lot of the older folks or elders
24 who were in the audience cannot speak English, very few
25 can, or understand or read. And there was a presenter

1 that was an interpreter, Mr. Juan Betonie, that's
2 probably also employed -- or either hired by maybe WPX
3 that was encouraging the audience and the people to
4 start writing letters to extort Preservation to approve.

5 And that's not the way you do things. He
6 was only to interpret what presentation you were
7 doing -- right, sir? -- on what you were showing.

8 And I understand our Dine language, and the
9 presentation that was done was uncomplete. There was
10 no -- I brought that up to one of the young ladies. And
11 then the gentleman that is sitting in the back there --
12 there should be at least some pictures, Power Point, and
13 pen point, this is the kind of structure, this is what a
14 pool means. And in our language, the pool is -- anybody
15 can state a swimming pool or what. And our elders don't
16 understand.

17 And what they are asking of me as the
18 presenter should have said 'twin twant,' which is what
19 kind of pool are you talking about? And that was not
20 identified clearly in their interpretation. So this is
21 what I want to share and testify, that it was an
22 uncomplete presentation.

23 And the sign-in book should have been right
24 at the entrance. I don't know where it was at. But
25 that's what I got to say to protect the location where

1 it is being asked.

2 EXAMINER WADE: Okay.

3 MS. ARVISO: And that is my statement.

4 EXAMINER WADE: Thank you.

5 EXAMINER McMILLAN: Thank you very much.

6 EXAMINER WADE: We had a couple of other
7 people who wanted to make comments.

8 MS. BEGAY: My name is Grace Begay. My
9 middle initial is N, because there are too many Begays.
10 So put my middle name as Grace N. Begay, like in Nancy.

11 EXAMINER WADE: Before you start, I will ask
12 the same question, did you receive notice regarding
13 this --

14 MS. BEGAY: Yes, I did. I got the letter.
15 It was written on August 28th. And I do have some
16 interests, landowner out in the Nageezi area in township
17 23 north, range 9, west, section 13. And that's the one
18 that we are talking about right now.

19 EXAMINER WADE: Okay.

20 MS. BEGAY: (Indicating pictures.) I do --
21 I am a landowner out in the Nageezi area. And my
22 allotment number is No. 25. And I am the sole owner.

23 And I was disappointed by what was mentioned
24 yesterday. I mean the whole allotment with a sole
25 owner, what if the oil comes up, how is it going to be

1 given out? And that is what I am worrying about.

2 And the unit that they are talking about, it
3 is right in the Kimbeto Wash. And that goes into the
4 Chaco/Escavado Wash. And that Chaco Wash -- the Kimbeto
5 Wash goes into Escavado Wash. Then Chaco Wash comes
6 from the Chaco Canyon Monument. That is where it joins.

7 And then it goes all the way into the San
8 Juan River. And I didn't quite understand how they
9 going to do the pool. That is one of the things I
10 didn't understand. The waste, the stuff that comes out
11 of ground.

12 I guess you heard about the San Juan River,
13 about Silverton River, whatever mine they had up there.
14 And you've seen that orange river for a couple of weeks.
15 And we are afraid of that.

16 We don't want our grandchildren to come out
17 deformed or have any kind of medical problem. And that
18 is what I am worrying about. Right now we can't even
19 turn our irrigation back on in Shiprock. And our crops
20 are suffering because of all this waste that is coming
21 out of the ground. And I'm worrying about that.

22 So I've got my map here. My dad was kind
23 enough, he turned the allotment over to me. And he said
24 take care of it.

25 So now all this stuff is coming up. And

1 before that, I was -- I sent out my lease with Largo --
2 is it Lobos? I had that -- and somehow something
3 happened.

4 All of a sudden, they said I was under WPX.
5 I said I was going for the young guns, but then the old
6 guns took over. That's what disappoints me.

7 I say a lot of stuff, so you got to listen
8 to me. And I am an older lady. I went through life.
9 And that is the reason why I am talking like that.

10 And I have worked in the medical field. And
11 I seen changes, what comes into the environment. So I'm
12 worrying about that.

13 And if you take a look at the map, look at
14 the Kimbeto Wash, then look at the Escavado Wash, and
15 look at the Chaco Wash. The reason why I know that
16 place is because when I was a young girl, I herd sheep.
17 I ran the Chaco Canyon Monument. I herd sheep down that
18 way. I herd sheep down in the Escavado Wash. That is
19 the reason why I am talking out for my people and
20 landowners.

21 I know my geology, what people are sitting
22 out there on. We got to get serious about it, because
23 we can't -- what do they call that? -- I'm an
24 intelligent person. That is what I am. I was born in
25 the United States and my people are like that.

1 And I hate to be cheated. So we got to
2 think about this stuff, and we got to think about people
3 equally. And I am glad some of them came and they gave
4 me support.

5 I got up at 2 o'clock this morning. And I
6 drove all the way, and we couldn't find this place.
7 Finally, somehow, I got to sit right here.

8 So that's what I am worrying about. And
9 people should understand that they should have a
10 thorough educational thing. I watched my people
11 yesterday. They were there. They didn't understand
12 what's going on. And a lot of them left before the
13 meeting was over.

14 Would you understand what allotment numbers
15 are these to the people? (Indicating some papers.) How
16 would you know that? How would you know where this
17 place is, what allotment numbers are affected.

18 And then the Federal, they are not on the
19 Navajo people's side, the allottee and landowners.

20 And the BLM, even from BIA, the eastern
21 agency, Sharon Pinto, I think she is just giving us
22 away.

23 So these are some of the issues that you
24 people need to look into. And this is the last will
25 that my dad wrote. And I have all the documents. I'm

1 worrying about a lot of these issues, because I am
2 thinking about my grandkids.

3 And more and more of our Navajo people, they
4 are getting educated. I read a lot about what goes on.
5 I went to geology -- I didn't know it was sitting
6 something under me. I didn't know I was sitting on coal
7 around my area.

8 So our people need to get more education on
9 a lot of these issues, a lot of the issue, what goes on
10 underground, what takes place. And we have our sacred
11 ground out there. The medicine man has certain places
12 where they go to get their herbs and things like that.

13 And there are certain areas where when they
14 have to pray for rain, they have to go over there and
15 lay there, whatever they need. And our medicine man
16 should get involved in a lot of these what -- what's
17 taking place, especially in that area.

18 So that's what's on my mind. If I didn't
19 worry about it, then I could have slept all night. But
20 I drove all night from Shiprock. I live out there.

21 And the reason why I work out there is
22 because I work at the hospital. Fifty years I have
23 serviced to them, the Navajo people. And I'm proud of
24 it. And I miss my patients.

25 So I wish you could listen to us and give us

1 more -- the Navajo people more education, my people, on
2 this issue.

3 And I thank you for listening to me. And I
4 know I am not a big person, but I comprehend a lot of
5 stuff. So thank you for listening to me, Your Honors.
6 And you are a good listener, and I would appreciate it
7 and give my people some more -- a lot more education and
8 things like that.

9 EXAMINER WADE: Okay. Thank you.

10 MS. BEGAY: Thank you.

11 EXAMINER McMILLAN: Thank you very much.

12 EXAMINER WADE: Yes, ma'am.

13 MS. ARVISO: Etta Arviso on record. One
14 more suggestion is these meetings need to be held at
15 Nageezi Chapter -- they got a big, huge building there,
16 a multipurpose building -- and not San Juan College.

17 There needs to be a better interpreter for
18 WPX, not to encourage the people to get off track and
19 encourage them to go write letters to -- there was a
20 misunderstanding there on some elders, the way they
21 understood it.

22 EXAMINER WADE: These issues -- and we
23 appreciate the comments -- but maybe some of these
24 issues you can raise with WPX directly as well, because
25 we have other people that would like to comment, too.

1 MS. ARVISO: Thank you.

2 EXAMINER WADE: There were a few other
3 people.

4 MS. LEVINSON: I had my hand up. I don't
5 live out there. I am not directly affected -- my name
6 is Charlotte Levinson. And I work on getting funding
7 for indigenous and environmental and legal grassroots
8 advocacy groups. In particular, I work with the Chaco
9 Coalition. And we are a coalition of 45 organizations
10 who call for a moratorium on drilling the Mancos Shale.

11 As you know, it is currently litigated. We
12 are in court for a restraining order against these
13 activities and also working with the coalition of 450
14 groups who are opposing continuing fossil fuel
15 extraction from all public lands.

16 And we have a petition we just delivered of
17 635,000 signatures to our congressional delegation
18 calling for this moratorium in Chaco.

19 And so we would like our public bodies to
20 start taking into account the kinds of concerns and
21 objections that our coalitions are raising, which, of
22 course, have to do with pollution, have to do with
23 climate, and very much have to do with indigenous
24 rights.

25 So I am here in support of the indigenous

1 people who have come all this way, which is not an easy
2 thing for them to do. And I think you'll be seeing more
3 of us at more of these meetings, because this concern is
4 growing and there's a lot of us who really are committed
5 to doing what we can to support these front line people
6 who are taking a stand on behalf of all of us for our
7 future.

8 So thank you.

9 EXAMINER McMILLAN: Thank you.

10 MR. LEE: Calvin Lee, Jr., attorney at law.
11 As I stated before, I am representing Ms. Etta Arviso.

12 I wanted to state that we were present for
13 the town hall yesterday and, as the witness just
14 mentioned, there was an item that was presented -- shown
15 in some very small type on pages, a couple of maps that
16 really cannot be discerned exactly what it pertains to.

17 I guess there's some other language off to
18 the side of this that describes a little bit more about
19 it. But this was the extent, essentially, of the
20 presentation.

21 And I believe that there could have been
22 more slides, more details. There could have been a
23 presentation at the Nageezi Chapter and the other
24 neighboring chapter that the affected area concerns.

25 There could have been -- under the Navajo

1 Rules of Civil Procedure, which are basically modeled
2 after the Federal Rules of Civil Procedure, there are
3 notice issues that people brought up.

4 And I think in the case of those people that
5 cannot be located, you could use certified mail
6 certainly. But there is also the public notice that
7 could be provided. It normally calls for Navajo Nation
8 media to be utilized, such as the Navajo Times paper.
9 An insert could have been provided in there to identify
10 all the persons that are affected in addition to KTNM
11 radio. In that respect it could have been provided in
12 the Navajo language.

13 So I think there could have been some more
14 notice provided in a more convenient manner. So I just
15 wanted to bring that to your attention. And if you have
16 any questions, I can certainly leave a card and I can be
17 contacted at any time. Thank you.

18 EXAMINER McMILLAN: Thank you very much.

19 EXAMINER WADE: Sir, I guess I have a couple
20 of questions for you.

21 MR. LEE: Okay.

22 EXAMINER WADE: It sounds like you have just
23 been involved for a short amount of time with these
24 issues?

25 MR. LEE: Yes.

1 EXAMINER WADE: Have you at any time
2 contacted WPX directly to speak about any of these
3 issues?

4 MR. LEE: We've contacted them by e-mail. I
5 understand there's a Mr. Brennan and, of course, a
6 Mr. Kessler that's involved. And we just had a brief
7 exchange of e-mail, an e-mail conversation.

8 But I think that is something that we could
9 continue to do. We certainly know how to contact each
10 other. I'm certainly open to doing that.

11 EXAMINER WADE: Okay. Thank you.

12 Is there anyone else who wishes to comment?

13 MR. UTTER: My name is Jack Utter. The last
14 name is spelled U-t-t-e-r. I am going to say a couple
15 of things in Navajo and then I will translate to
16 English.

17 (Mr. Utter speaking in Navajo.)

18 Not everybody who's Navajo here knows me. I
19 said, My mother, there are relations here. I married
20 into the tribe.

21 I am a consultant. My Ph.D. is in natural
22 resources. I also have a law degree, but I don't
23 practice law.

24 I was asked to participate in this as a
25 research associate. I did attend the meeting yesterday.

1 I have done quite a few public meetings for Navajo
2 people over the past 15 years. I worked for the tribe.
3 Recently retired.

4 I felt that the presentation I walked in
5 on -- I was a little late -- was cordially presented by
6 this gentleman here. I have forgotten his name. He is
7 a southerner. And I am as well. He speaks slowly in
8 English. And that was good.

9 But there were people here who don't
10 understand hardly a word of English. And I agree with
11 the presentation that was given previously by Etta, the
12 interpreter was not that great.

13 There was also some subversion of the Navajo
14 Nation Government by the presenters. And they asked the
15 people to write a letter against the Historic
16 Preservation Department.

17 And these kinds of -- I understand why
18 people do this. But they were saying there was no need
19 for an agreement from the Navajo Government Historic
20 Preservation Department with the BLM and FIMO.

21 The Navajo Nation will hear that as a
22 subversion of its sovereignty. If they say that they
23 need an agreement, they need an agreement, just like the
24 state might or the federal government might. That was
25 probably the biggest mistake in my view.

1 They did relatively well with what they
2 presented before. But Navajos are very visual people.
3 My wife is very visual. My children are. And a lot
4 more could have been done to get the idea across.

5 They had a real good format regarding
6 personality presentation, but content was lacking.

7 If you have any questions, I would be happy
8 to answer them.

9 EXAMINER WADE: Okay. Thank you.

10 I guess I have a question for Mr. Feldewert
11 or for Ms. Kessler or maybe for Mr. McQueen.

12 Who plans, who develops these town hall
13 meetings for WPX?

14 MR. FELDEWERT: Well, that is a fairly broad
15 question. I don't know how -- I think there is a group
16 that puts them together. I know, as the gentleman
17 mentioned, WPX had a representative there to do the
18 presentation.

19 EXAMINER WADE: These issues that are being
20 raised today, will WPX take them into consideration?

21 MR. FELDEWERT: Well, I mean the
22 representatives of WPX are here today. I can't speak
23 for them at this point.

24 EXAMINER WADE: Maybe we can call
25 Mr. McQueen then.

1 MR. FELDEWERT: Would you like to call him
2 as a witness?

3 EXAMINER WADE: Yes. And he should be sworn
4 in.

5 KEN McQUEEN
6 having been first duly sworn, was examined and testified
7 as follows:

8 EXAMINER WADE: If you could just state what
9 you do at WPX.

10 THE WITNESS: My name is Ken McQueen, and I
11 am the vice president of the San Juan Regional Asset
12 Team.

13 EXAMINER WADE: And I guess I can ask the
14 same question I just asked of Mr. Feldewert. Do you
15 know who plans these town hall meetings for WPX and
16 develops them?

17 THE WITNESS: Yes.

18 EXAMINER WADE: Who is that?

19 THE WITNESS: It is a joint effort at WPX
20 that is led primarily by our land group, the regulatory
21 folks are involved as well. I am involved as well in
22 preparation for the town halls.

23 EXAMINER WADE: And you have heard a lot of
24 concerns that are raised, the areas, maybe more content,
25 a better interpreter.

1 THE WITNESS: Yes, I have.

2 EXAMINER WADE: Would WPX take these issues
3 into account in future town hall meetings?

4 THE WITNESS: Yes. And some of those
5 already have been taken into account. In fact, we've
6 had a number of these town hall meetings already. We've
7 had different interpreters. In fact, one of the
8 previous interpreters, we found was worse than the
9 interpreter that we currently have.

10 So, certainly, if we could find interpreters
11 who are willing to do that, we are open to finding
12 someone that's an alternative.

13 But I might point out, Mr. Wade, that these
14 town halls are not required in the process. This is an
15 effort by WPX to explain to the allottees what the
16 process is at OCD.

17 In some of our earlier hearings, we had some
18 unfortunate events in which the hearing docket was
19 deferred, delayed. And we had a number of allottees who
20 received the obligatory notice letters and felt that
21 they needed to be present for the hearing and showed up
22 for the hearing and then the hearing was deferred and so
23 they had wasted a trip.

24 So these town hall meetings were designed as
25 an attempt to answer questions specifically about what

1 will take place here in Santa Fe at the OCD Hearing.

2 I will add that during the leasing
3 activities that WPX, Encana, Logos and other companies
4 in the area were conducting two years ago, there were a
5 number of town halls held not only by WPX but other
6 companies as well, Encana in particular, in which
7 presentations were made in an attempt to educate the
8 allottees about what the overall drilling process is,
9 development process is for oil and gas on their leases.

10 EXAMINER WADE: And I appreciate that town
11 hall meetings are not required. But, obviously, people
12 are raising issues as to content and how they are run,
13 where they are run. And I feel like if WPX is willing
14 to address some of these issues, that some of these
15 questions could be answered in a different forum than at
16 the OCD hearings.

17 And I am sure WPX is willing to communicate
18 with people directly who may have questions, further
19 questions.

20 THE WITNESS: We are.

21 And I might add, at the town hall, we
22 started at 9:30 a.m. yesterday at the college, and we
23 stayed until all the questions were answered of the
24 allottees attending.

25 Each town hall for us is a learning event.

1 So we attempt to incorporate as much as learned from the
2 previous town halls into the town halls as we go
3 forward.

4 And I might say that contacting the
5 allottees is a challenge for us, because some people
6 FIMO does not have addresses for. There's a whole
7 number of issues there.

8 So as an outgrowth from our previous town
9 hall meeting, WPX has put together a New Mexico blog and
10 there is an allottees tab there where we are trying to
11 put current information on that blog. There is a place
12 that allottees can sign up so that anytime there is an
13 addition to the blog, they will get an e-mail or a text
14 about events that are pertinent to their holdings out
15 there.

16 Now the unfortunate thing is we asked
17 yesterday at the meeting how many folks had Internet at
18 home, and it is a very small percentage of the allottee
19 community. There are children and grandchildren who
20 have better access to some of these online versions.
21 But that is one step that we've undertaken just within
22 the last two months to make more information available.

23 And beyond what's there specifically for the
24 allottees, there are a number of tabs that describe our
25 operations in significant detail about what we are

1 undertaking in northwest New Mexico.

2 EXAMINER WADE: Okay. And I guess my last
3 question is there are several people in the audience,
4 obviously, who have concerns. For today, would you be
5 willing to give them a contact, somebody that they can
6 contact and speak to directly with their ideas or
7 concerns?

8 THE WITNESS: Certainly.

9 EXAMINER WADE: I have no further questions.

10 EXAMINER McMILLAN: I have no questions.

11 MR. FELDEWERT: The only thing I would add
12 to the record is if you look to Exhibit 5, the notice
13 letters that go out to interest owners do have a contact
14 person and a telephone number and a mail address in
15 their letters. So they have attempted to provide a
16 contact person for any questions that people have from
17 the initial point of notice.

18 EXAMINER WADE: And I am guessing in your
19 town hall meetings you would give contact information as
20 well?

21 THE WITNESS: We do. And we reminded
22 participants yesterday that we do have an office in
23 Aztec, New Mexico. They can contact us by phone. If
24 they want to come by in person, we will sit down and
25 answer their questions.

1 EXAMINER WADE: I saw that you raised your
2 hand. Were you intending to ask a question?

3 MR. UTTER: No. I was just going to
4 reinforce a little bit of what I said, maybe help
5 clarify --

6 EXAMINER WADE: Excuse me. I don't think we
7 have any more questions of Mr. McQueen so you don't have
8 to sit up there.

9 MR. McQUEEN: Thank you.

10 EXAMINER WADE: Mr. Utter.

11 MR. UTTER: Mr. McQueen's demeanor is a good
12 one for presenting to Navajos. And I want to compliment
13 him again. I have done those twice now, I think.

14 These are emotional things as you can tell
15 from earlier. I am clan related to some of these folks,
16 perhaps to you folks in the back. I haven't given my
17 wife's clans and I won't this morning.

18 But it is a different -- it's not just a
19 different culture. It is a different world. And there
20 is a view of the universe among Navajos, especially the
21 older ones -- Ms. Begay reminds me of my mother-in-law
22 who passed away, and it was difficult for me to hear her
23 nice voice and what she had to say. They speak very
24 similarly. These are the things that these folks come
25 into a meeting with. And on land that they have been on

1 for up to thousands of years. That's their view.

2 It is tough for us in western society to
3 have all these blogs. My mother-in-law never even heard
4 of a blog. Wouldn't know what it is. I don't think
5 there is a Navajo word for "blog."

6 So there's a bridge to get across. And I
7 think WPX has a good start on it. But they just
8 couldn't quite get over the bridge. And they might be
9 able to set a precedent for other companies if they were
10 to take this another step further and do the education
11 that the ladies were talking about. [

12 And I would be happy to talk with them about
13 how you do this. I have had to do it an awful lot, like
14 I said, over the years. And it does take a knack and it
15 does take understanding the hearts of the folks that you
16 are talking to.

17 I would recommend that another town hall at
18 Nageezi be held with more pictures and maybe a little
19 more scientific stuff, but presented in pictures.

20 I have been getting scientific questions
21 that I can't even answer. I am not an oil and gas
22 person.

23 But understanding the milieu that is
24 surrounding this I think will help this go forward with
25 people understanding better and communicating better.

1 Thank you very much.

2 EXAMINER WADE: Thank you.

3 EXAMINER McMILLAN: Okay. Case No. 15375
4 shall be continued for two weeks, which would be October
5 the 1st.

6 EXAMINER WADE: And for people in the
7 audience, we are continuing the case purely for proof of
8 published notification. So just a heads-up that if you
9 were thinking about coming back, it's going to be a very
10 minor issue that is going to be presented on that day.
11 So you may want to think about that before making a very
12 long drive.

13 MR. FELDEWERT: Thank you.

14 EXAMINER McMILLAN: We are going to take a
15 break. We are going to come back at five after.

16

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18 (Time noted 9:53 a.m.)

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____

_____, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO)
 2) ss.
 3 COUNTY OF BERNALILLO)
 4
 5
 6

7 REPORTER'S CERTIFICATE

8
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR
 10 No. 100, DO HEREBY CERTIFY that on Thursday, September
 11 17, 2015, the proceedings in the above-captioned matter
 12 were taken before me, that I did report in stenographic
 13 shorthand the proceedings set forth herein, and the
 14 foregoing pages are a true and correct transcription to
 15 the best of my ability and control.

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

22
 23
 24
 25


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