

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 15335
(Re-opened)

APPLICATION OF ENCANA OIL & GAS (USA) INC.
TO AMEND ORDER R-13931 TO EXPAND THE BLANCO
WASH FEDERAL/ALLOTTED INDIAN/FEE EXPLORATORY
UNIT AND THE CORRESPONDING BLANCO WASH UNIT
Hz OIL POOL, SAN JUAN COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JUNE 25, 2015

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
SCOTT DAWSON, 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, Scott Dawson, Examiner, and Gabriel
Wade, Legal Examiner, on June 25, 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.

REPORTED BY: ELLEN H. ALLANIC
NEW MEXICO CCR 100
CALIFORNIA CSR 8670
PAUL BACA COURT REPORTERS
500 Fourth Street, NW
Suite 105
Albuquerque, New Mexico 87102

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A P P E A R A N C E S

For the Applicant

Michael H. Feldewert, Esq.
Holland & Hart
110 North Guadalupe
Suite 1
Santa Fe, New Mexico 87501
(505)983-6043
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ALSO PRESENT: Adrienne B. Wood
Adelena Wood
Rena Nez

I N D E X

CASE NUMBER 15335 (Re-Opened) CALLED

ENCANA OIL & GAS (USA) INC. CASE-IN-CHIEF:

WITNESS ERIK GRAVEN (cont'd)

EXAMINATION

Examiner Dawson

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Reporter's Certificate

PAGE

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1 (Time noted 3:42 p.m.)

2 EXAMINER McMILLAN: Now we will go onto a
3 new case -- this case is reopened, case 15335 is totally
4 reopened, the case of Encana to Amend Order R-13931 to
5 expand the Blanco Wash Federal/Allotted Indian/Fee
6 Exploratory Unit and corresponding Blanco Wash Unit Hz
7 Oil Pool, San Juan County, New Mexico.

8 Call for appearances.

9 MR. FELDEWERT: Michael Feldewert with the
10 Santa Fe Office of Holland and Hart appearing on behalf
11 of the applicant.

12 EXAMINER DAWSON: I'm sorry to reopen the
13 case. I just had a couple of questions that I wanted to
14 ask you.

15 MR. FELDEWERT: Certainly, and the witness
16 has already been sworn.

17 EXAMINATION OF ERIK GRAVEN

18 BY EXAMINER DAWSON

19 EXAMINER DAWSON: Ms. Binion told me that
20 the well that was in the south half of section 16 was
21 deemed non-commercial by the BLM, the AO, and the land
22 office.

23 THE WITNESS: Yes.

24 EXAMINER DAWSON: And they are going to
25 produce that well on a lease basis.

1 THE WITNESS: (Nodding.)

2 EXAMINER DAWSON: So they're going to cut a
3 window within the unit, right? I mean is it going to
4 have a window in the unit that's not going to be a
5 unitized well?

6 THE WITNESS: It is my understanding that we
7 won't have a window in the unit, but production from
8 that well will not be assigned to the unit.

9 EXAMINER DAWSON: 'Okay.

10 MR. FELDEWERT: I think if you look at the
11 second entry clause on Exhibit Number 3, it explains
12 what's happening.

13 EXAMINER DAWSON: Okay.

14 MR. FELDEWERT: And as I read it, it's just
15 a well specific exclusion.

16 EXAMINER McMILLAN: What page are you on?

17 MR. FELDEWERT: I am on the first page of
18 Exhibit 3, the second clause that begins, This agreement
19 is limited in applicability. If you would go halfway
20 down, you will see that it references a horizontal well
21 known as the Escrito P-162409 1H and provides the API
22 number.

23 EXAMINER DAWSON: Thank you for that
24 clarification. I didn't have time to read this before
25 the meeting -- that part of it. Thank you. That's all

1 the questions I have.

2 EXAMINER McMILLAN: I have no further
3 questions. Now this case can finally be taken under
4 advisement.

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(Time noted 3:46 p.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 _____.

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_____, Examiner
Oil Conservation Division

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1 STATE OF NEW MEXICO)
 2) ss.
 3 COUNTY OF BERNALILLO)
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7 REPORTER'S CERTIFICATE

8
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR
 10 No. 100, DO HEREBY CERTIFY that on Thursday, June 25,
 11 2015, the proceedings in the above-captioned matter were
 12 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.

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ELLEN H. ALLANIC, CSR
 NM Certified Court Reporter No. 100
 License Expires: 12/31/15