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OIL CONSERVATION DIVISION HEARINGS

Docket No. 21-24

Moderated by Gregory A. Chakalian

Tuesday, June 18, 2024

8:30 a.m.

New Mexico Energy Minerals and

Natural Resources Department

Pecos Hall

Wendell Chino Building

1220 South St. Francis

Santa Fe, NM 87505

Reported by: James Cogswell

JOB NO.: 6746935

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A P P E A R A N C E S

List of Attendees:

Gregory A. Chakalian, Hearing Examiner
Dean McClure, Technical Examiner
Freya Tschantz, Law Clerk

ON BEHALF OF APPLICANT MRC PERMIAN COMPANY:

MICHAEL H. FELDEWERT, ESQUIRE
Holland & Hart LLP
110 North Guadalupe Street, #1
Santa Fe, NM 87501
mfeldewert@hollandhart.com
(505) 988-4421

ON BEHALF OF CONOCOPHILLIPS AND BURLINGTON RESOURCES
OIL & GAS:

JACLYN M. MCLEAN, ESQUIRE
Hinkle Shanor LLP
218 Montezuma Avenue
Santa Fe, NM 87501
jmclean@hinklelawfirm.com
(505) 982-4554

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NO.	DESCRIPTION	ID/EVD
Exhibit 1	23782 - MRC Exhibit A: Self-Affirmed Statement of Clay Wooten, Landman	7/9
Exhibit 2	23782 - MRC Exhibit B: Self-Affirmed Statement of Andrew Parker, Geologist	7/9
Exhibit 3	23782 - MRC Exhibit C: Self-Affirmed Statement of Notice	7/9
Exhibit 4	23782 - MRC Exhibit D: Affidavit of Publication	7/9
Exhibit 5	23783 - MRC Exhibit A: Self-Affirmed Statement of Clay Wooten, Landman	7/9
Exhibit 6	23783 - MRC Exhibit B: Self-Affirmed Statement of Andrew Parker, Geologist	7/9
Exhibit 7	23783 - MRC Exhibit C: Self-Affirmed Statement of Notice	7/9
Exhibit 8	23783 - MRC Exhibit D: Affidavit of Publication	7/9
Exhibit 9	23784 - MRC Exhibit A: Self-Affirmed Statement of Clay Wooten, Landman	7/9
Exhibit 10	23784 - MRC Exhibit B: Self-Affirmed Statement of Andrew Parker, Geologist	7/9
Exhibit 11	23784 - MRC Exhibit C: Self-Affirmed Statement of Notice	7/9

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E X H I B I T S (Cont'd)

NO.	DESCRIPTION	ID/EVD
Exhibit 12	23784 - MRC Exhibit D: Affidavit of Publication	7/9
Exhibit 13	23785 - MRC Exhibit A: Self-Affirmed Statement of Clay Wooten, Landman	7/9
Exhibit 14	23785 - MRC Exhibit B: Self-Affirmed Statement of Andrew Parker, Geologist	7/9
Exhibit 15	23785 - MRC Exhibit C: Self-Affirmed Statement of Notice	7/9
Exhibit 16	23785 - MRC Exhibit D: Affidavit of Publication	7/9

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P R O C E E D I N G S

THE HEARING EXAMINER: Good morning. It is 8:29 a.m. on June 18, 2024. These are the hearings -- the special hearings of the Oil Conservation Division in four different cases. The case numbers are 23782, 23783, 23784, and 23785. Can I get appearances for the records, please.

MR. FELDEWERT: May it please the Examiner, Michael Feldewert with the Sante Fe office of Holland & Hart on behalf of the applicant MRC Permian Company.

MS. MCLEAN: And good morning. Jackie McLean from Hinkle Shanor on behalf of ConocoPhillips and Burlington Resources Oil & Gas.

THE HEARING EXAMINER: Good morning. I don't see counsel for Marathon Oil Permian LLC who filed the objection and then filed notice of withdrawal of objection on 6/11, so I'll just note that for the record. I see our Technical Examiner. Good morning, Mr. McClure.

MR. MCCLURE: Good morning, Mr. Hearing Examiner.

THE HEARING EXAMINER: So Mr. McClure, we're proceeding by affidavit because with -- the objections were withdrawn. I believe, Mr. Feldewert,

1 in all four cases?

2 MR. FELDEWERT: Yes, sir.

3 THE HEARING EXAMINER: Okay. So
4 Mr. McClure, we're proceeding by affidavit this
5 morning.

6 MR. MCCLURE: Very good.

7 THE HEARING EXAMINER: Okay. Very
8 good. Mr. Feldewert.

9 MR. FELDEWERT: Yes. Good morning,
10 Mr. McClure. Mr. Chakalian. In these four cases, MRC
11 Permian seeks approval of four standard 320-acre
12 horizontal well spacing units for two mile laterals in
13 the Bone Spring and the Wolfcamp underlying the east
14 half of Sections 16 and 21, 18 South, 34 East, and in
15 one of the four cases, 23783, which is one of the Bone
16 Spring pooling cases, they also seek approval of an
17 overlapping spacing unit.

18 The exhibits are essentially the same,
19 with the exception that the case 23783 will have the
20 additional information on the notice to the parties
21 involved with the overlapping spacing unit, but I'm
22 going to look at just case 23782, which are -- like I
23 said, they're all basically the same, and they're
24 comprised of the Compulsory Pooling Application
25 Checklist for each case and then the filed application

1 in each matter. And each hearing packet contains an
2 Exhibit A, which is the Self-Affirmed Statement of
3 Clay Wooten; he's the landman who has previously
4 testified before the Division. He provides the C-102s
5 for each of the wells, the tract map, the list of the
6 parties being pooled -- the mineral owners being
7 pooled in their various interests, a sample of the
8 well proposal letter, the AFEs, and then a chronology
9 of contacts.

10 We also then provide in each hearing
11 packet the Self-Affirmed Statement of Andrew Parker,
12 who is a geologist with the company, who has also
13 previously testified before the Division. He provides
14 a locator map, a subsea structure map for each
15 formation they seek to pool, and then a structural
16 cross-section in each case.

17 We then have my Self-Affirmed Statement
18 providing, as Exhibit C, the information on notice and
19 then then Exhibit D as in David, is the Affidavit of
20 Publication.

21 (Exhibits 1 through 16 were marked for
22 identification.)

23 So that is how each of these four cases
24 are set-up; the information has been filed. So we
25 would ask that Exhibits A, B, C, and D be admitted in

1 each case, and that these four matters be taken under
2 advisement.

3 I will also say that if you have any
4 questions, Mr. Parker, the geologist, and Mr. Wooten,
5 the landman, is available.

6 THE HEARING EXAMINER: Okay. Let's
7 first deal with the exhibits. Are you saying,
8 Mr. Feldewert, that the exhibits in each of the four
9 cases are laid-out as Exhibits A, B, C, and D?

10 MR. FELDEWERT: Yes, sir.

11 THE HEARING EXAMINER: Okay. So
12 there's no additional exhibits in 23783?

13 MR. FELDEWERT: No.

14 THE HEARING EXAMINER: Okay.

15 MR. FELDEWERT: There's just an
16 additional statement dealing with the overlapping
17 spacing unit.

18 THE HEARING EXAMINER: Okay. And which
19 tab is the additional statement located in?

20 MR. FELDEWERT: It would be in
21 Exhibit A.

22 THE HEARING EXAMINER: A -- okay, fine.

23 MR. FELDEWERT: Yeah.

24 THE HEARING EXAMINER: Thank you.

25 Okay. So are there any objections to these exhibits

1 in these four cases?

2 MS. MCLEAN: No objection.

3 THE HEARING EXAMINER: Thank you,
4 Ms. McLean. Exhibits A, B, C, and D in each of the
5 four cases are admitted into evidence.

6 (Exhibits 1 through 16 were admitted
7 into evidence.)

8 I will turn to Mr. McClure.

9 Mr. McClure, do you have any questions for any of the
10 three witness; right, Mr. Feldewert -- there are three
11 witnesses?

12 MR. FELDEWERT: Two witnesses.

13 THE HEARING EXAMINER: Two witnesses.
14 Who is the additional statement from?

15 MR. FELDEWERT: Me.

16 THE HEARING EXAMINER: No. That's not
17 what I mean. What I mean is, you said that there was
18 an additional statement in one case.

19 MR. FELDEWERT: Mr. Wooten, the
20 landman.

21 THE HEARING EXAMINER: Okay, fine. So
22 there's two witnesses. Mr. McClure, do you have any
23 questions for the two witnesses today?

24 MR. MCCLURE: Mister Hearing Examiner,
25 I have no questions for any of these four cases.

1 THE HEARING EXAMINER: Fantastic. So
2 that mean that we can take them under advisement?

3 MR. MCCLURE: Yes. We can.

4 THE HEARING EXAMINER: Okay.

5 Mr. Feldewert, that you very much for your
6 presentation. We'll take these four cases under
7 advisement.

8 MR. FELDEWERT: Thank you, gentlemen.
9 Appreciate your time.

10 THE HEARING EXAMINER: Thank you.
11 We're off the record.


12 (Whereupon, the meeting concluded at
13 8:35 a.m.)

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CERTIFICATE

I, JAMES COGSWELL, the officer before whom the foregoing proceedings were taken, do hereby certify that any witness(es) in the foregoing proceedings, prior to testifying, were duly sworn; that the proceedings were recorded by me and thereafter reduced to typewriting by a qualified transcriptionist; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



JAMES COGSWELL

July 5, 2024

Notary Public in and for the
State of New Mexico

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CERTIFICATE OF TRANSCRIBER

I, MARY POOLE, do hereby certify that this transcript was prepared from the digital audio recording of the foregoing proceeding, that said transcript is a true and accurate record of the proceedings to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

July 5, 2024



MARY POOLE

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[witnesses - yeah]

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