

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: 21817, 21818,
21819

APPLICATION OF KAISER-FRANCIS OIL
COMPANY FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MAY 20, 2021
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER WILLIAM BRANCARD and TECHNICAL EXAMINER KURT SIMMONS, on Thursday, May 20, 2021, through the Webex Virtual Platform.

REPORTED BY: Carrie Hewerdine, RDR, NMCCR #512
PAUL BACA COURT REPORTERS
500 4th Street, Suite 105
Albuquerque, New Mexico 87102

1 A P P E A R A N C E S

2 For Applicant:

3 JAMES BRUCE
4 P.O. Box 1056
5 Santa Fe, NM 87504-1056
6 505.982.2151
7 jamesbruce@aol.com

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7 For COG Operating and ConocoPhillips:

8 BETH RYAN
9 605 West Country Club Road
10 Roswell, NM 88201
11 575.624.2000

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11 I N D E X

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13 CASE CALLED

14 03

15 SUMMARY OF CASE AND EXHIBITS

16 03

17 TAKEN UNDER ADVISEMENT

18 07

19 REPORTER CERTIFICATE 08

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21 E X H I B I T I N D E X

22 Admitted

23 Exhibits and Attachments

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1 HEARING EXAMINER BRANCARD: With that, we're
2 down to Case Number 34, 35, 36, Cases 21817, 21818,
3 21819, Kaiser-Francis.

4 Mr. Bruce, are you there?

5 JAMES BRUCE: Yes, I'm here for Kaiser-Francis
6 Oil Company.

7 HEARING EXAMINER BRANCARD: Okay. And it
8 seems that we have an entry from COG Operating.

9 BETH RYAN: Yes, this is Beth Ryan. I'm
10 entering an appearance on behalf of COG Operating and
11 ConocoPhillips Company in this matter.

12 HEARING EXAMINER BRANCARD: Thank you.

13 Are there any other appearances in these three
14 cases?

15 Hearing none, Ms. Ryan, do you object to this
16 case going forward by affidavit?

17 BETH RYAN: Not at all.

18 HEARING EXAMINER BRANCARD: Thank you.

19 With that, Mr. Bruce, you may proceed.

20 JAMES BRUCE: Mr. Examiner, I do have the
21 exhibit package, which contains the usual. Exhibit 1,
22 the applications through the land man's affidavit, the
23 geologist's affidavit, and the date of notice to have
24 -- publication notice was not required in this case,
25 and then the pooling checklist.

1 In these cases -- in the first case,
2 Kaiser-Francis seeks to pool the Wolfcamp formation
3 underlying the southeast quarter of Section 6 and the
4 East half of Section 7, 24 South, 34 East in the -- for
5 the purposes of drilling one well.

6 In the second case, they seek to pool the
7 Wolfcamp formation in the southwest quarter of
8 Section 6 and the West half of Section 7 for the
9 purposes of drilling one Wolfcamp well.

10 And then in the third case, they seek to force
11 pool the Southwest quarter of Section 6 and the West
12 half of Section 7 for the purpose of drilling four
13 Bone Spring wells.

14 Now, one thing the -- the pools are -- that
15 are -- are the South Bell Lake Bone Spring pool and the
16 South Bell Lake Wolfcamp pool. Those have special pool
17 rules for the Bell Lake unit only. And those pools --
18 one thing I want to mention, when the division is
19 looking at these, these are 480-acre units, which are
20 standard under those special pool rules.

21 Also, you will see that some of the wells may
22 appear to be -- they're 50 -- these stand-up units, and
23 they are -- from the interior of the unit, they are
24 only 50 feet off the lease line. That is allowed by
25 the special pool rules rather than the 100 feet

1 statewide.

2 And it also allows a well to be -- a side line
3 of the well unit can be 200 feet away from the
4 adjoining unit.

5 And some of the other distances you have to --
6 you have to stay 330 feet away from the exterior of the
7 Bell Lake unit.

8 So there are special pool rules involved.

9 So if the division has a question as to well
10 locations, I -- you can ask me about that.

11 The interest owners being pooled in the first
12 case, '817, only EOG is being pooled in this case.

13 In the other two cases, the parties are XTO --
14 probably officially Mobile Producing Texas, but XTO
15 takes care of them -- EOG Resources.

16 And then I have down in my list, it's
17 ConocoPhillips and/or Burlington Resources Oil and Gas
18 Company.

19 And Attachment C to the land man's exhibit
20 gives these parties and their interest in the well unit
21 they combined -- combined, they total about 12 and a
22 half percent of each well unit.

23 The land man's affidavit contains the usual
24 information, the C102s, the proposal letters, and the
25 AFEs, the geologist's exhibit.

1 That's one other thing. Late yesterday, the
2 geologist sent me revised exhibits, and so early this
3 morning, I filed a -- emailed in a notice of filing a
4 replacement exhibit. So there is a new replacement
5 Exhibit 3 by the geologist.

6 The only thing that really changed is the set
7 of exhibits which appear to be nicer exhibits than the
8 ones that were originally attached.

9 And with that, I think all the information
10 required by the division is included, and I would ask
11 that Exhibits 1 through 5 be taken under advisement and
12 the -- I mean, be admitted to the record, and the case
13 be taken under advisement.

14 HEARING EXAMINER BRANCARD: Thank you.

15 Ms. Ryan, any questions or presentations?

16 BETH RYAN: None. Thank you.

17 HEARING EXAMINER BRANCARD: Mr. Simmons?

18 TECHNICAL EXAMINER SIMMONS: I see we've got
19 our green cards this time, so I think we're good if
20 you'll get us that exhibit.

21 He filed it? Does Marlene have it? Is
22 that --

23 JAMES BRUCE: I filed it early this morning.

24 So --

25 MARLENE SALVIDREZ: Yes, it is in the

1 hearing's email.

2 HEARING EXAMINER BRANCARD: All right. Thank
3 you.

4 So Mr. Bruce, you're good then? Nothing else
5 to be filed in this case?

6 JAMES BRUCE: No.

7 HEARING EXAMINER BRANCARD: So are there any
8 other comments on these three cases, Kaiser-Francis
9 21817, '8 and '9?

10 Hearing none, I will admit the exhibits into
11 the record, and Cases 21817, 21818, and 21819 will be
12 taken under advisement. Thank you.

13 (Hearing concluded)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, CARRIE HEWERDINE, RDR, New Mexico Certified
7 Court Reporter, CCR 521, do hereby certify that I
8 reported the foregoing virtual proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings to
11 the best of my ability.

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

16 I FURTHER CERTIFY that the Virtual Proceeding
17 was of poor to good quality.

18 Dated this 24th day of May, 2021.

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21 /s/ Carrie Hewerdine

22 Carrie Hewerdine, RDR, NMCCR 521
23 License Expires: 12-31-21

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