

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

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

APPLICATION OF SPUR ENERGY  
PARTNERS, LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 22153-22154

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
DECEMBER 16 2021  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
WILLIAM BRANCARD and TECHNICAL EXAMINER KATHLEEN MURPHY on  
Thursday, December 16, 2021, through the Webex Platform.

Reported by: PAUL BACA  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

For the Applicant:

ADAM RANKIN  
HOLLAND & HART  
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For Apache:

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For Contango:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	07

1 HEARING EXAMINER BRANCARD: With that, I will  
2 call the next two cases, 19 and 20 on the docket sheet,  
3 Cases 22153, 22154, Spur Energy Partners.

4 MR. RANKIN: Morning, Mr. Examiner. May it  
5 please the Division, Adam Rankin appearing on behalf of  
6 applicant in these cases, Santa Fe office of Holland & Hart.

7 HEARING EXAMINER BRANCARD: Thank you. I have an  
8 entry of appearance from Apache Corporation.

9 MS. BENNETT: Good morning again. Deana Bennett  
10 from Modrall Sperling on behalf of Apache Corporation.

11 HEARING EXAMINER BRANCARD: Jalapeno Corporation,  
12 Gallegos Law Firm?

13 (No audible response.)

14 HEARING EXAMINER BRANCARD: Contango Oil & Gas.

15 MR. MORGAN: Scott Morgan on behalf of Contango  
16 Oil & Gas.

17 HEARING EXAMINER BRANCARD: Any other interested  
18 persons for cases 22153, 22154?

19 (No audible response.)

20 HEARING EXAMINER BRANCARD: Hearing none, where  
21 are we here, Mr. Rankin?

22 MR. RANKIN: Morning. This is a similar  
23 situation to the previous cases by Spur. We are in a  
24 situation where there are no competing wells or horizontal  
25 development plans. We -- the parties are initiating

1 discussions to try to resolve concerns around Spur's  
2 proposed development.

3           Unlike the other case, however, Spur does have  
4 some sensitivities around timing, so we would ask that while  
5 the parties try to work it out, that we set a prehearing  
6 order for hearing on the February 17 docket so that we can  
7 have a hearing one way or the other and be able to proceed  
8 with this case.

9           We don't expect there to be extensive testimony,  
10 in other words, I don't think it would take too long, not  
11 like a competing well development case. So we ask that the  
12 matters be set for hearing on the 17th of February.

13           HEARING EXAMINER BRANCARD: Thank you. Ms.  
14 Bennett, Apache?

15           MS. BENNETT: Thank you. I think that February  
16 17 may work, but I would have to double check with Apache on  
17 a February date. And I can do that as soon as we get off  
18 the call, off the hearing.

19           HEARING EXAMINER BRANCARD: Mr. Morgan?

20           MR. MORGAN: Contango, if possible, would prefer  
21 that March 3 hearing simply for ease of having all of our  
22 clients and potential experts and everyone that may testify  
23 to appear. The issues are almost identical, and just for  
24 ease of my client's time and expert's time, if necessary, we  
25 just prefer to hear them that March 3 date, but if February

1 2 is the date, I will double check with my clients to see if  
2 that works.

3 HEARING EXAMINER BRANCARD: Ms. Bennett, any idea  
4 about March 3rd?

5 MS. BENNETT: I think March 3 is workable for  
6 Apache. And just to be clear, I think we were talking about  
7 the February 17 versus February -- March 3 docket; right?

8 HEARING EXAMINER BRANCARD: I'm not sure February  
9 17 is available. We already have a lot of cases.

10 MS. BENNETT: Okay, yeah. So March 3, I'm very  
11 certain that that would work for Apache, and I -- as  
12 Mr. Morgan was explaining his rationale for why March 3 was  
13 preferable, that seems make sense in terms of the  
14 sufficiency of the scale of having, if we do have to go to a  
15 contested hearing, having experts and everyone be ready for  
16 one hearing date as opposed to two different dates, but I'm  
17 not sure how that works for Mr. Rankin.

18 MR. RANKIN: Mr. Hearing Examiner, I think if  
19 March 3 is the date, I would ask simply that we try to lock  
20 that date in and only permit continuances in severe  
21 circumstances in order to avoid prejudice to Spur and its  
22 drilling schedules and time lines.

23 HEARING EXAMINER BRANCARD: Are there any other  
24 interested persons in Cases 22153 and 22154?

25 (No audible response.)

1 HEARING EXAMINER BRANCARD: Hearing none, we will  
2 schedule it for March 3. Obviously that's the first of the  
3 month, so there will be a lot of new cases here which  
4 hopefully will go quickly. But we like to tag a few  
5 contested cases on the end of the docket just so we can  
6 spread these out a bit.

7 So with that 22153, 22154 are scheduled for  
8 contested hearing on March 3. We will issue a prehearing  
9 order.

10 MS. BENNETT: Thank you very much.

11 MR. RANKIN: Thank you, Mr. Examiner.

12 (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, PAUL BACA, New Mexico Certified Court  
7 Reporter, do hereby certify that I reported the foregoing  
8 virtual proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings to the best of my ability.

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

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of reasonable quality.

17 Dated this 16th day of December 2021.

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/s/ Paul Baca

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Paul Baca  
License Expires: 12-31-22

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