

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: 22921

APPLICATION OF SAN JUAN RESOURCES,
INC. TO AMEND ORDER R-22053 TO
CORRECT THE ACREAGE DESCRIPTION
FOR THE LINDRITH EAST (DEEP) UNIT, RIO
ARRIBA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
JULY 7, 2022
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 McCLURE on Thursday,
July 7, 2022, through the Webex Platform.

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

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7 I N D E X

8	CASE CALLED	
9	TAKEN UNDER ADVISEMENT	07
10	EXHIBITS AND ALL ATTACHMENTS ADMITTED	07
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1 HEARING EXAMINER BRANCARD: All right. With that
2 we go to case 22921, San Juan Resources.

3 MR. FELDEWERT: May it please the Examiner,
4 Michael Feldewert of the Santa Fe office on behalf the
5 applicant.

6 HEARING EXAMINER BRANCARD: Are there any other
7 interested persons for Case 22291?

8 (No audible response.)

9 HEARING EXAMINER BRANCARD: Hearing none, Mr.
10 Feldewert, you may proceed.

11 MR. FELDEWERT: Mr. Examiner, under this
12 application San Juan Resources seeks to amend Division Order
13 R-22053 to do nothing more than correct the acreage
14 description for what was approved as the Lindrith East B
15 Unit.

16 That approval order omits the S/2 of the SE/4 of
17 Section 15 of 24 North, Range 2 West from the description of
18 the unitized area. That omission occurred because that
19 same, there was that same omission in the application for
20 that initial case and in the affidavit filed by the
21 applicant in that initial case.

22 The actual unit agreement and other materials in
23 case correctly include the S/2 the SE/4 of Section 15, so
24 having conferred with the Division, we filed this
25 application, provided notice of the addition of this

1 acreage by application and by hearing here with the
2 affidavit noting the issues of concern, and we ask that the
3 change be made to the unitized area, which is a voluntary
4 unit comprised of mostly federal lands here. Federal and
5 there is some fee, yes.

6 With that, Mr. Examiner, we move into the record
7 the affidavit, Exhibit A, which is the affidavit of the
8 landman who initially testified in the first case noting the
9 error and correcting the error with the acreage description
10 for the approved unit.

11 HEARING EXAMINER BRANCARD: Thank you. Mr.
12 McClure, any questions.

13 TECHNICAL EXAMINER McCLURE: Yes, Mr. Brancard, I
14 just have a quick question on notice. Mr. Feldewert, was no
15 new notice then provided to the interest owners then in this
16 case with the -- of this amendment -- excuse me?

17 MR. FELDEWERT: There was no notice provided
18 first time because it's a purely voluntary unit in this
19 case, and there is no acreage being excluded, and we had the
20 preliminary approval from the BLM. So it's a pure voluntary
21 unit.

22 TECHNICAL EXAMINER McCLURE: I'm not disputing
23 that at all. The only thing I was looking at is in the
24 first case there was notice information included in the case
25 file. It looked like it, with the state -- so it included

1 royalty owners, potentially overriding royalty owners as
2 well.

3 MR. FELDEWERT: In the first case?

4 TECHNICAL EXAMINER McCLURE: Correct. I was
5 looking at it yesterday.

6 HEARING EXAMINER BRANCARD: That Case 399, there
7 is a whole bunch of people who got notice. It was newspaper
8 notice.

9 MR. FELDEWERT: So if we think through this,
10 okay, the unit agreement that has proposed all of these
11 people as a voluntarily unit included this acreage, and that
12 unit agreement was actually included in the package for the
13 initial case. So nothing has changed with respect to what
14 has been proposed to the BLM and to the owners in the unit.
15 This is nothing more than an effort to correct what I would
16 call a clerical error in the order approving that unit and
17 that unit agreement that was in the first case. So no one
18 is being impacted.

19 TECHNICAL EXAMINER McCLURE: Other than that, I
20 don't have any further questions, Mr. Brancard. I don't
21 know what your thoughts are on what we are thinking on the
22 notice.

23 HEARING EXAMINER BRANCARD: My only thought is
24 that in order to make this work, Mr. Feldewert, the Division
25 needs to take notice of the record in 22399 because that has

1 the documentation supporting the actual description of the
2 unit. In that documentation are the exhibits attached to
3 the BLM agreement, to the map and legal descriptions.

4 You are right, it's, it's a correction because
5 our order as of the application refers to an 8800 acre unit,
6 believe it or not, while I'm sitting here I did the math,
7 and what we approved in our original order was not 8800
8 acres, we came up 80 acres short, so adding that 80 acres
9 back in.

10 MR. FELDEWERT: I agree with you, Mr. Examiner,
11 and I would move the -- ask that the Division take notice of
12 the record in Case 22399 as part of the presentation here
13 because that case contains the correct description of the
14 acreage for the unit, as well as the unit agreement that
15 accompanied that correct acreage description.

16 HEARING EXAMINER BRANCARD: And also looking at
17 the map, it appears that that 80 acre tract is an unleased
18 federal tract, so -- no leasehold interest there being
19 affected.

20 All right. With that I think that's enough
21 information that we need, and so with that I will take with
22 the adoption of the record from 22399, the exhibits in case
23 22921 will be admitted into the record and case 22921 will
24 be taken under advisement.

25 MR. FELDEWERT: Thank you, gentlemen. Appreciate

1 your time.

2 TECHNICAL EXAMINER McCLURE: Thank you.

3 (Exhibits admitted.)

4 (Taken under advisement.)

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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 do hereby certify that I reported the
7 foregoing virtual proceedings in stenographic shorthand and
8 that the foregoing pages are a true and correct transcript
9 of those proceedings to the best of my ability.

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

14 I FURTHER CERTIFY that the Virtual Proceeding was
15 of poor to good quality.

16 Dated this 7th day of July 2022.

17

/s/ Irene Delgado

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Court Reporter
License Expires: 12-31-22

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