

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: 21113, 21124,  
21125

APPLICATION OF CHEVRON USA INC.,  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MARCH 5, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH KATHLEEN MURPHY, PHILLIP GOETZE on Thursday, March 5, 2020 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: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

For the Applicant:

KAITLYN LUCK  
HOLLAND & HART  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501  
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For Kaiser-Francis:

DANA HARDY  
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I N D E X

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SUMMARY OF CASE AND EXHIBITS	03
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E X H I B I T I N D E X

Admitted

All Exhibits and Attachments	05
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1 HEARING EXAMINER ORTH: We come then to matters  
2 2113 the 21124, and 21125, applicant Chevron USA compulsory  
3 pooling matters relating to a well named CB CAL 25.

4 MS. LUCK: Good morning again, Examiners.  
5 Kaitlyn Luck with the Santa Fe office of Holland & Hart on  
6 behalf of the applicant in these cases, Chevron USA Inc.

7 And before you I'm placing copies of the exhibits  
8 because Chevron has requested that these cases be accepted  
9 by affidavit, and it's my understanding it's the only other  
10 party that has entered an appearance doesn't have an  
11 objection to that.

12 HEARING EXAMINER ORTH: Other appearances? I  
13 believe it was Hinkle Shanor.

14 MS. HARDY: Yes. Dana Hardy with the Santa Fe  
15 office of Hinkle Shanor on behalf of Kaiser-Francis. I do  
16 not object to the cases being presented based on the amended  
17 prehearing statement which we had agreement with Chevron.

18 HEARING EXAMINER ORTH: Thank you.

19 MS. LUCK: Thank you. And that is also Chevron's  
20 agreement as recited in Kaiser-Francis's prehearing  
21 statement.

22 Just to introduce you to this, they involve the  
23 same acreage in the W/2 of Sections 25 and 36, Township 23  
24 South, Range 28 East, in Eddy County, New Mexico.

25 In Case 21113, Chevron is seeking to pool the

1 Wolfcamp formation in the Purple Sage Wolfcamp and dedicate  
2 the entire W/2 of the section to a spacing unit that will  
3 include three wells, the 401 through the 403 H wells.

4           And before you are the standard land and geology  
5 exhibits for these three wells. Behind Exhibit C is the  
6 land affidavit. Behind Exhibit D is the geologist  
7 affidavit, and then behind Exhibit E is an affidavit from  
8 our office reflecting that notice of this hearing was timely  
9 provided to the interest owners to be pooled. Behind  
10 Exhibit F is the notice of publication also reflecting that  
11 the -- there was a publication of this hearing timely  
12 before in the county where the wells are located.

13           And then turning to 21124 and 21125, these cases  
14 are to pool the Bone Spring formation, and the first case  
15 21124, that will be the E/2 of the W/2 of the two sections.  
16 And that creates a Bone Spring spacing unit which is  
17 dedicated to the 301-H and 303-H well. And then in 21125,  
18 that's another Bone Spring spacing unit in the W/2 of the  
19 W/2 which will be dedicated to a single well, the a 302-H  
20 well.

21           Again in this packet are all the standard  
22 exhibits for the two consolidated cases. The land exhibit  
23 is Exhibit C, the geologist exhibit is Exhibit D, and then  
24 behind Exhibits E and F are a notice affidavit and a notice  
25 of publication reflecting notice this hearing was timely

1 provided.

2 HEARING EXAMINER ORTH: Okay. Questions, Ms.  
3 Murphy?

4 EXAMINER MURPHY: Will they fill in the dedicated  
5 acreage on the C-102?

6 MS. LUCK: It's my understanding what we are  
7 submitting are just our drafts, so final C-102s will be  
8 submitted to the Division having the correct acreage.

9 EXAMINER MURPHY: Okay. And this no proximity  
10 tracts, standard completion, or standard locations.

11 MS. LUCK: That's correct.

12 EXAMINER MURPHY: I have no further questions.

13 HEARING EXAMINER ORTH: Mr. Goetze?

14 EXAMINER GOETZE: No questions. Thank you.

15 HEARING EXAMINER ORTH: Thank you Mr. Goetze.

16 Thank you, Ms. Luck. Both packets will be accepted and  
17 taken under advisement.

18 MS. LUCK: Thank you.

19 (Exhibits admitted.)

20 (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, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings that were reduced to printed form by me to the  
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of  
13 the proceedings truly and accurately reflects the exhibits,  
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by  
16 nor related to any of the parties of attorneys in this case  
17 and that I have no interest in the final disposition of this  
18 case.

19 Dated this 5th of March 2020.

20

21

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Irene Delgado, NMCCR 253  
License Expires: 12-31-20

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