

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: 21176 - 21179

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

April 30, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, LEONARD LOWE, KATHLEEN MURPHY, DYLAN COSS and SCOTT COX on Thursday, April 30, 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
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Albuquerque, NM 87102
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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE
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For MRC Permian (Mosaic wells):

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1 HEARING EXAMINER ORTH: Move to the next matter.
2 The first one is 21176, compulsory pooling matter, applicant
3 Kaiser-Francis, well name Brantley Fee 2419.

4 Is Mr. Bruce on the phone?

5 MR. BRUCE: Yes, I am, Madam Examiner. And I
6 would ask that these three cases be presented right at the
7 end with the final Kaiser-Francis case. They are all
8 interrelated, and they all will be presented by affidavit.
9 And Holland & Hart can confirm, but MRC Permian has agreed
10 that certain of these cases can be presented by affidavit.

11 HEARING EXAMINER ORTH: All right. Thank you.
12 We will move these three down. I see Mr. Feldewert turned
13 on his video. Do you have something to add?

14 MR. FELDEWERT: No, I will wait until we move
15 them towards the end.

16 (Pause in proceeding.)

17 HEARING EXAMINER ORTH: Let's take the last four
18 matters then. This is 21176, 21177, 21178 and 21179. They
19 are all compulsory pooling matters related to the wells
20 Brantley and Mosaic.

21 Mr. Bruce, are you here for the applicant?

22 MR. BRUCE: Yes, I am.

23 HEARING EXAMINER ORTH: All right. Mr.
24 Feldewert.

25 MR. FELDEWERT: Madam Examiner, Michael Feldewert

1 with the Santa Fe office of Holland & Hart. We are
2 appearing on behalf of MRC Permian LLC Company in just three
3 of these four cases, case 21177 through 21179, which involve
4 the Mosaic wells.

5 HEARING EXAMINER ORTH: All right. Thank you.
6 Are there any other appearances in these matters?

7 (No response.)

8 HEARING EXAMINER ORTH: Okay. Mr. Bruce, will we
9 hear a presentation by affidavit from the parties --

10 MR. BRUCE: Yes.

11 HEARING EXAMINER ORTH: Or just --

12 MR. BRUCE: No, no, they are being presented by
13 affidavit.

14 HEARING EXAMINER ORTH: Okay. Mr. Feldewert, do
15 you have any objection?

16 MR. FELDEWERT: We have no objection to the case
17 proceeding by affidavit.

18 HEARING EXAMINER ORTH: Thank you very much.
19 Please go ahead, Mr. Bruce.

20 MR. BRUCE: Okay. These four cases involve --
21 collectively involve all of Section 24 of 23 South, 28 East,
22 and Section 19 -- adjoining Section 19 of 23 South, 29 East.
23 The first case is for the Brantley Fee 2H well. The
24 remaining are the Mosaic wells.

25 Each of the exhibit packages is pretty similar.

1 The witnesses are the same, Michael Maxey, the landman, and
2 Lee Lindman, the geologist. Both have been qualified and
3 testified before the Division. And each package contains an
4 application and proposed ad, the landman's affidavit and the
5 geologist affidavit. Also contained is an affidavit of
6 mailed notice.

7 These cases were not advertised in the newspaper
8 because there were no unlocatable people. And then each
9 package contains a checklist, pooling checklist.

10 As to the first case, 21176, I noticed this
11 morning in looking at it, that Exhibit 5, the pooling
12 checklist, has a typo at the top. My dyslexia kicked in and
13 it should say 21176 and it says 21167, so I would ask
14 permission to correct that and e-mail that to the Division.

15 HEARING EXAMINER ORTH: If you would, please.

16 MR. BRUCE: And then those -- the Brantley well
17 is a Wolfcamp well in the Purple Sage Wolfcamp gas pool in
18 the S/2 of the two sections I mentioned.

19 The remaining three cases, 21177 is for a Bone
20 Spring well, a second Bone Spring well, as is 21178. The
21 first one is in the N/2 N/2 of the section, and the second
22 is in the S/2 N/2 of the sections.

23 In case 21179 is for several Wolfcamp wells,
24 again Purple Sage Wolfcamp gas pool with covering the N/2 of
25 the two sections I previously mentioned. As I said, in all

1 four cases the compilation of data is the same, land,
2 geology, affidavit of the notice and pooling. And everyone
3 did receive notice.

4 And with that I would move the admission of
5 Exhibits 1 through 5 in each case.

6 HEARING EXAMINER ORTH: All right. Thank you.
7 Mr. Feldewert, do you have any questions or -- to the
8 exhibits.

9 MR. FELDEWERT: No objections and no questions.

10 HEARING EXAMINER ORTH: Thank you. Exhibits 1
11 through 5 are admitted.

12 Mr. Coss, do you have questions of Mr. Bruce?

13 EXAMINER COSS: No, no, I don't have any
14 questions at this time. Thank you.

15 HEARING EXAMINER ORTH: Thank you. Mr. Cox, do
16 you have questions of Mr. Bruce.

17 EXAMINER COX: No questions. Thanks for noticing
18 that typo. If you could get that in to us as soon as
19 possible, we appreciate it.

20 MR. BRUCE: I will do it this morning.

21 HEARING EXAMINER ORTH: All right. Thank you.
22 Thank you very much, Mr. Bruce. The exhibits are admitted
23 and the packet is accepted and will be taken under
24 advisement.

25 MR. BRUCE: Thank you.

1 (Exhibits admitted.)

2 (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 30th day of April 2020.

20

/s/ Irene Delgado

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

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