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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: 21565

APPLICATION OF CAZA PETROLEUM LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS: 22048

APPLICATION OF CAZA PETROLEUM LLC
AND CAZA OPERATING LLC FOR APPROVAL OF AN
OVERLAPPING SPACING UNIT IN THE BONE SPRING
FORMATION AND TO ALLOW TWO OPERATORS IN A
CERTAIN WELL UNIT,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 2, 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 EXAMINERS DEAN McCLURE and DYLAN ROSE-COSS on Thursday, December 2, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

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1 HEARING EXAMINER BRANCARD: So, with that, if

- 2 you're ready to go, we can get started. And I will call
- 3 Case Numbers 21565 and 22048, Caza Petroleum.
- 4 MR. BRUCE: Mr. Examiner, Jim Bruce for Caza
- 5 Petroleum.
- 6 HEARING EXAMINER BRANCARD: Thank you. And I
- 7 appearances by Chisholm.
- 8 MR. FELDEWERT: May it please the examiner,
- 9 Michael Feldewert of the Santa Fe office of Holland & Hart.
- 10 HEARING EXAMINER BRANCARD: Advance Energy?
- MS. HARDY: Good morning, Mr. Examiner, Dana
- 12 Hardy with the Santa Fe office of Hinkle Shanor on behalf of
- 13 Advance Energy Partners.
- 14 HEARING EXAMINER BRANCARD: And then also COG
- 15 Operating.
- MS. MUNDS-DRY: (Inaudible.)
- 17 HEARING EXAMINER BRANCARD: Ms. Munds-Dry, I
- 18 think you are muted.
- MS. MUNDS-DRY: How's that?
- 20 HEARING EXAMINER BRANCARD: That works.
- 21 MS. MUNDS-DRY: I will get the hang of it after
- 22 two years or so. Good morning, Mr. Examiner, Ocean
- 23 Munds-Dry with COG Operating LLC.
- 24 HEARING EXAMINER BRANCARD: Thank you. Are there
- any other entries of appearance for 21565 and 22048?

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- 1 (No audible response.)
- 2 HEARING EXAMINER BRANCARD: Hearing none, Mr.
- 3 Bruce, I think you had some updates on these cases. Let us
- 4 know what's going on.
- 5 MR. BRUCE: Yes. The parties have been in
- 6 discussions about settling their differences over one mile
- 7 or two mile laterals in the development of this area. And
- 8 they -- I believe the current status is they were meeting
- 9 with their respective working interest owners to try to work
- 10 out a JOA covering two mile laterals.
- 11 So I think they need more time is simply it and
- 12 if we can just reschedule this for another status conference
- in six or eight weeks that might work.
- MR. FELDEWERT: I think you are muted,
- 15 Mr. Brancard.
- 16 HEARING EXAMINER BRANCARD: I am. January 20?
- 17 We have a lot of cases, Marlene will get mad at me, but a
- 18 status conference. Mr. Feldewert?
- 19 MR. FELDEWERT: I have no concerns with that
- 20 Mr. Examiner.
- 21 HEARING EXAMINER BRANCARD: Ms. Hardy?
- 22 MS. HARDY: That's fine with Advanced Energy
- 23 Partners, Your Honor
- 24 HEARING EXAMINER BRANCARD: Ms. Munds-Dry?
- MS. MUNDS-DRY: No objection. Thank you.

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1	HEARING EXAMINER BRANCARD: Why don't we set
2	and this is both cases, is that correct, Mr. Bruce?
3	MR. BRUCE: Correct.
4	HEARING EXAMINER BRANCARD: So status conference
5	January 20.
6	MR. BRUCE: Thank you.
7	(Concluded.)
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Page 6 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 7 Reporter, CCR 253, do hereby certify that I reported the 8 foregoing virtual proceedings in stenographic shorthand and 9 that the foregoing pages are a true and correct transcript 10 of those proceedings to the best of my ability. I FURTHER CERTIFY that I am neither employed by 11 nor related to any of the parties or attorneys in this case 12 13 and that I have no interest in the final disposition of this 14 case. 15 I FURTHER CERTIFY that the Virtual Proceeding was of reasonable quality. 16 Dated this 2nd day of December 2021. 17 18 /s/ Irene Delgado 19 Irene Delgado, NMCCR 253 20 License Expires: 12-31-21 2.1 22 23 2.4 25