

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:

APPLICATION OF OXY USA WTP LIMITED                      CASE NO. 15780  
PARTNERSHIP TO RE-OPEN CASE NO. 15780                      (Re-opened)  
TO POOL THE INTERESTS OF RECORD TITLE  
OWNERS UNDER THE TERMS OF COMPULSORY  
POOLING ORDER R-14471, EDDY COUNTY,  
NEW MEXICO.

Consolidated with

APPLICATION OF OXY USA WTP LIMITED                      CASE NO. 15781  
PARTNERSHIP TO RE-OPEN CASE NO. 15781                      (Re-opened)  
TO POOL THE INTERESTS OF RECORD TITLE  
OWNERS UNDER THE TERMS OF COMPULSORY  
POOLING ORDER R-14472, EDDY COUNTY,  
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

December 21, 2017

Santa Fe, New Mexico

BEFORE:   SCOTT DAWSON, CHIEF EXAMINER  
            PHILLIP GOETZE, TECHNICAL EXAMINER  
            DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Scott Dawson,  
Chief Examiner, Phillip Goetze, Technical Examiner, and  
David K. Brooks, Legal Examiner, on Thursday, December  
21, 2017, 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:   Mary C. Hankins, CCR, RPR  
                    New Mexico CCR #20  
                    Paul Baca Professional Court Reporters

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# APPEARANCES

FOR APPLICANT OXY USA WTP LIMITED PARTNERSHIP:

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(9:31 a.m.)

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EXAMINER DAWSON: Back on the record. And

3

at this point, we'll call Case Number 15780.

4

Call for appearances, please.

5

Case 15780 is number ten on the list, which

6

is application of OXY USA WTP Limited Partnership to

7

re-open Case Number 15780 to pool the interests of

8

record title owners under the terms of Compulsory

9

Pooling Order R-14471, Eddy County, New Mexico.

10

MR. RANKIN: Mr. Examiner, counsel for OXY

11

is out of the room at the moment. She'll be right back.

12

She's got her stuff at the desk already, if I could poke

13

my head out and see if I can find her.

14

EXAMINER DAWSON: Okay. Thank you very

15

much, Mr. Rankin.

16

Okay. Going on with Case Number 15780,

17

call for appearances.

18

MS. KESSLER: Mr. Examiner, Jordan Kessler,

19

from the Santa Fe office of Holland & Hart, on behalf of

20

the Applicant. And we had requested in our pre-hearing

21

statement this be combined with Case Number 15781.

22

EXAMINER DAWSON: Okay. So at this point

23

Cases 15780 and 15781 will be consolidated.

24

No witnesses?

25

MS. KESSLER: No witnesses. This will be

1 presented by affidavit.

2 EXAMINER DAWSON: Okay. When you're ready,  
3 Ms. Kessler.

4 MS. KESSLER: Thank you, Mr. Examiner.

5 Mr. Examiners, Case Numbers 15780 and 15781  
6 were two compulsory pooling cases that were originally  
7 heard, and orders were issued in October of 2017. Each  
8 of the cases asked for formation of a 320-acre  
9 nonstandard spacing unit.

10 Case Number 15780 requested a formation of  
11 a nonstandard spacing unit comprised of the north  
12 half-south half of Section 9 and the north half-south  
13 half of Section 10 in Township 19 South, 29 East, Eddy  
14 County, New Mexico.

15 Case Number 15781 requested formation of a  
16 nonstandard spacing unit comprised of the south  
17 half-south half of Sections 9 and 10, Township 19 South,  
18 Range 29 East, in Eddy County, New Mexico.

19 Both cases also requested pooling of  
20 uncommitted interest owners in the Bone Spring and  
21 designated initial wells for each of the spacing units.

22 What you have before you is additional  
23 exhibits, an affidavit from the landman marked as  
24 Exhibit 1 for each case, along with supporting  
25 attachments. What OXY seeks today is to pool several

1 uncommitted record title interest owners pursuant to the  
2 existing orders.

3 For Case Numbers 15780 and 15781, Exhibit  
4 1, as I mentioned, is an affidavit from India Isbell.  
5 She is the landman who originally testified in these  
6 cases. She discusses the spacing unit and the resulting  
7 order from each case. Each order is attached as Exhibit  
8 A.

9 Exhibit B contains a list of the status of  
10 the states of the record title to whom notice has been  
11 provided, and if I can just briefly review that. The  
12 reason for pooling these record title interest owners is  
13 that the record title interests have either been  
14 completely unresponsive and refuse to sign a com  
15 agreement or are in various -- the states of the record  
16 title owners are in various states of the probate.

17 So Exhibit C contains letters for each of  
18 these -- or Attachment C for each of these exhibits  
19 contains letters from OXY to each of the record title  
20 interest owners.

21 EOG M Resources has been contacted a number  
22 of times and has not provided a response or a signature  
23 as detailed in paragraph B of Exhibit 1 -- excuse me --  
24 6B of Exhibit 1.

25 R. D. Collier and Harold Kersey are record

1 title owners. They are both deceased. Their heirs have  
2 been identified, and each of the heirs was sent a letter  
3 requesting that they -- requesting that they provide  
4 signature on the communitization agreements. OXY has  
5 received no response from most of those heirs and has  
6 not received com agreements or signatures in any of  
7 the --

8 And paragraph 6C details the fact that they  
9 have conducted a diligent search of the county records  
10 in Eddy County and computer and phone directory searches  
11 to obtain the names of those record title interest  
12 owners and heirs.

13 Exhibit D is an affidavit -- I'm sorry --  
14 Attachment E for Case Number 15780 and Attachment D for  
15 Case Number 15781 is an affidavit from my office  
16 providing notice of the hearing to the record title  
17 interest owners.

18 Exhibit F for 15780 and Exhibit E for 15781  
19 is Notice of Publication directed by name to each of the  
20 record title interest owners.

21 Mr. Examiners, unless you have further  
22 questions, I would ask that these cases be taken under  
23 advisement.

24 EXAMINER DAWSON: Do you have any  
25 questions?

1 EXAMINER BROOKS: I do.

2 Record title, are you using record title in  
3 this case in the federal --

4 MS. KESSLER: State, Mr. Examiner, state  
5 com agreements.

6 EXAMINER BROOKS: So the persons named  
7 are -- are they lessees of the state --

8 MS. KESSLER: That's correct.

9 EXAMINER BROOKS: -- owners of interest in  
10 state leases?

11 MS. KESSLER: Owners of interest of record  
12 title only of state leases. So all of the uncommitted  
13 mineral or working interest was previously compulsory  
14 pooled.

15 EXAMINER BROOKS: So they're successors,  
16 the lessee of record?

17 MS. KESSLER: Right.

18 EXAMINER BROOKS: Is that true of EOG M  
19 also?

20 MS. KESSLER: That's correct.

21 EXAMINER BROOKS: It owns only record  
22 title?

23 MS. KESSLER: Only record title.

24 EXAMINER BROOKS: Thank you.

25 MS. KESSLER: Mr. Examiners, I also failed

1 to move admission of Exhibit 1A through F for Case 15780  
2 and 1A through E for Case Number 15781. So I would do  
3 so at this time.

4 EXAMINER DAWSON: Exhibits 1 through F on  
5 Case Number 15780 and 1 through E on 15781 will be  
6 admitted at this time.

7 MS. KESSLER: Thank you.

8 (OXY USA WTP, L.P. Exhibit Numbers 1A  
9 through F and 1A through E are offered and  
10 admitted into evidence.)

11 EXAMINER DAWSON: Thank you.

12 One question on EOG: They -- they're not  
13 cooperating or --

14 MS. KESSLER: They're simply not  
15 responding.

16 EXAMINER DAWSON: Not responding at all.

17 Okay. Okay. That's all the questions we have.

18 So at this point, 15780 and 15781,  
19 consolidated cases, will be taken under advisement.

20 MS. KESSLER: Thank you.

21 (Case Numbers 15780 and 15781 conclude,  
22 9:39 a.m.)

23

24

25



1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court  
6 Reporter, New Mexico Certified Court Reporter No. 20,  
7 and Registered Professional Reporter, do hereby certify  
8 that I reported the foregoing proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings that  
11 were reduced to printed form by me to the best of my  
12 ability.

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

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

20 DATED this 12th day of January 2018.  
21

22  
23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
25 New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2018  
Paul Baca Professional Court Reporters