

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 CHISHOLM ENERGY	CASE NOS. 15865,
OPERATING, LLC FOR A NONSTANDARD	15866,
SPACING AND PRORATION UNIT AND	15867,
COMPULSORY POOLING, LEA COUNTY,	15868
NEW MEXICO.	

Consolidated with

APPLICATION OF GREAT WESTERN	CASE NOS. 15875,
DRILLING, LTD. FOR A NONSTANDARD	15876
OIL SPACING AND PRORATION UNIT	
AND COMPULSORY POOLING, LEA COUNTY,	
NEW MEXICO.	

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 25, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
LEONARD LOWE, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, January 25, 2018, 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
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102

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APPEARANCES

FOR APPLICANT CHISHOLM ENERGY OPERATING, LLC:

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ENERGY PARTNERS:

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EXHIBITS OFFERED AND ADMITTED

Chisholm Energy Operating, LLC Exhibit Numbers Number 27	4
Great Western Drilling, Ltd./Advance Energy Partners Exhibit Number 16	5

1 (8:22 a.m.)

2 EXAMINER JONES: Case Numbers 15865, 15866,
3 15867, 15868, and Great Western Cases 15875 and 15876.

4 Appearances?

5 MS. KESSLER: Jordan Kessler on behalf of
6 Chisholm Operating, LLC.

7 MR. HALL: And Scott Hall, Montgomery &
8 Andrews, Santa Fe, on behalf of Great Western Drilling
9 Company and Advance Energy Partners. And I'm offering
10 our Exhibit 16.

11 EXAMINER JONES: Who wants to go first on
12 this?

13 MS. KESSLER: I think we're saying
14 essentially the same thing, Mr. Examiner. I have two
15 affidavits I've placed in front of you. The first one
16 is marked Exhibit 27. It's an affidavit from the
17 landman, Luke Shelton, who testified at the hearing on
18 December 13th. He is stating in his affidavit that he
19 reviewed the various override instruments creating
20 those -- documents creating the override interest and
21 that for each of the interests, that he did not feel it
22 authorized compulsory pooling. He has provided notice
23 to the overriding royalty interest owner.

24 Behind that, you will find an affidavit
25 from my office with an attached notice of the hearing

1 and returned green cards for all of those interests.

2 EXAMINER JONES: When did he provide the
3 notice?

4 MS. KESSLER: The notice was provided -- it
5 was the day after the hearing, so it was December 14.
6 And that letter should be included. This is Exhibit 27.
7 The letter is also included as Exhibit 26 in the prior
8 set of documents.

9 EXAMINER JONES: So there is an Exhibit 26?
10 Do we have an --

11 MS. KESSLER: That would be in the file
12 from the previous --

13 EXAMINER BROOKS: Yeah. They're not in
14 this pocket.

15 MS. KESSLER: So this is just the green
16 cards.

17 EXAMINER JONES: Okay. Any objection to
18 admitting to Exhibit 27.

19 MR. HALL: Not at all.

20 EXAMINER JONES: Okay. Exhibit 27 is also
21 admitted in Chisholm Energy Cases 15865 through 15876.

22 (Chisholm Energy Operating, LLC Exhibit
23 Number 27 is offered and admitted into
24 evidence.)

25 MR. HALL: And so we're offering our

1 Exhibit 16 in Cases 15875 and 15876 to the overriding
2 royalty interest owners, 100 percent response rate.
3 Notice went out December 21st. I got several phone
4 calls from them.

5 EXAMINER JONES: Sometimes we get phone
6 calls from the news people. But you guys sent these
7 notices out so --

8 So this is Exhibit Number --

9 MR. HALL: 16.

10 EXAMINER JONES: No objection to Exhibit
11 16?

12 MS. KESSLER: No objection.

13 EXAMINER JONES: Exhibit 16 in Great
14 Western Cases 15875 and 15876 are admitted.

15 (Great Western Drilling, Ltd./Advance
16 Energy Partners Exhibit Number 16 is
17 offered and admitted into evidence.)

18 MS. KESSLER: Mr. Examiners, I'd ask this
19 case be taken under advisement.

20 EXAMINER JONES: Okay. The cases are ready
21 to be taken under advisement?

22 MR. HALL: Yes.

23 EXAMINER JONES: All of the aforementioned
24 cases are taken under advisement.

25 (Case Numbers 15865, 15866, 15867, 15868

1 and 15875 and 15876 conclude, 8:26 a.m.)
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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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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 13th day of February 2018.

21

22

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

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