

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 KAISER-FRANCIS OIL CASE NOS. 16137,
COMPANY FOR A NONSTANDARD OIL SPACING 16138, 16139,
AND PRORATION UNIT AND COMPULSORY 16140
POOLING, EDDY COUNTY, NEW MEXICO.

Consolidated with

APPLICATION OF KAISER-FRANCIS OIL CASE NO. 16141
COMPANY FOR A NONSTANDARD GAS SPACING
AND PRORATION UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 9, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
LEONARD LOWE, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Scott Dawson, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, August 9, 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
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APPEARANCES

FOR APPLICANT KAISER-FRANCIS OIL COMPANY:

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1 (8:45 a.m.)

2 EXAMINER DAWSON: Now we'll go to Case
3 Number 16- --

4 These are all going to be consolidated,
5 correct?

6 MR. BRUCE: Yes, sir.

7 EXAMINER DAWSON: 16137, 16138, 16139,
8 16140 and 16141, which are numbers 14, 15, 16, 17 and 18
9 on the list, and they all are applications of
10 Kaiser-Francis Oil for a nonstandard oil spacing and
11 proration unit and compulsory pooling, Eddy County, New
12 Mexico.

13 Please call for appearances.

14 MR. BRUCE: Jim Bruce of Santa Fe
15 representing the Applicant. I have no witnesses.

16 EXAMINER DAWSON: Okay. Is there anyone
17 else that wants to make an appearance in this case?

18 MR. BRUCE: I sort of recall somebody
19 entered an appearance for MRC Permian.

20 MR. PERKINS: There is no need for us
21 to. Kyle Perkins with Matador Resources Company.

22 EXAMINER DAWSON: MRC, you're just making
23 an appearance? You're not contesting or protesting this
24 case?

25 MR. PERKINS: Yeah, that's fine. Yes.

1 We'll make an appearance, but no --

2 EXAMINER DAWSON: Okay. Thank you.

3 MR. BRUCE: Mr. Examiner, this case was
4 previously presented and was continued for notice
5 purposes, and we have a set of exhibits.

6 Exhibit 18 is my Affidavit of Notice
7 regarding the first two cases, 137 and 138; Exhibit 19,
8 Affidavit of Notice regarding Cases 139 and 140. And
9 Exhibit 20 is the Affidavit of Notice for Case 16141.

10 I have attached the notice letter, and
11 behind that is a listing of everyone who was given
12 notice for each of those cases, which also indicates
13 whether or not they received a green card. I had the
14 green cards printed and ready to go, but they're about
15 that thick (indicating), so I will deliver those
16 subsequently on each of the cases.

17 EXAMINER DAWSON: Thank you.

18 MR. BRUCE: Exhibit 21 is -- at the time,
19 we gave notice to the offset operators, so that's an
20 Affidavit of Notice to the offsets, and all of the
21 offset operators did receive actual notice.

22 EXAMINER BROOKS: Okay. Was this case
23 filed prior to June 26th --

24 MR. BRUCE: Yes.

25 EXAMINER BROOKS: -- of this year?

1 Thank you.

2 MR. BRUCE: There were several hundred
3 people notified of this application. Obviously, not
4 everyone received actual notice, so we published two
5 affidavits in the Carlsbad newspaper, marked as Exhibits
6 22 and 23. And between those and the green cards that I
7 will deliver to you, everyone received actual or
8 constructive notice.

9 And finally, Exhibit 24 contains the
10 approved APDs for each of the eight wells that were
11 pooled in these cases. Mr. McMillan requested that.
12 And these APDs have the various pool names and pool
13 codes, and Mr. McMillan wanted those in the file.

14 And, therefore, notice is now complete, and
15 I move the admission of Exhibits 18 through 24 and
16 request that the matters be taken under advisement.

17 EXAMINER DAWSON: Okay. Any opposition to
18 the movement of Exhibits 18 through 24?

19 MR. PERKINS: No objection.

20 EXAMINER DAWSON: Okay. So at this time
21 Exhibits 18 through 24 will be admitted to the record.

22 (Kaiser-Francis Oil Co. Exhibit Numbers 18
23 through 24 are offered and admitted into
24 evidence.)

25 EXAMINER DAWSON: Do you have any

1 questions?

2 EXAMINER LOWE: No, I don't.

3 EXAMINER BROOKS: What date was this case
4 heard?

5 MR. BRUCE: It was late May. I don't
6 remember the exact date.

7 EXAMINER BROOKS: Okay. Thank you.

8 MR. BRUCE: Maybe the second hearing date
9 in May.

10 EXAMINER DAWSON: Continued from July 12th
11 examiner hearing is what this says.

12 So at this time, Case Numbers 16137, 16138,
13 16139, 16140 and 16141 will be taken under advisement.

14 Thank you, Mr. Bruce.

15 (Case Numbers 16137 - 16141 conclude, 8:50
16 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 on ^ DATE, 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