

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 NOVO OIL & GAS NORTHERN CASE NO. 20185  
DELAWARE, LLC FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

and

APPLICATION OF OXY USA, INC. FOR CASE NO. 20186  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

and

APPLICATION OF PERCUSSION PETROLEUM CASE NOS. 20187,  
OPERATING, LLC FOR COMPULSORY POOLING, 20192  
EDDY COUNTY, NEW MEXICO.

and

APPLICATION OF PERCUSSION PETROLEUM CASE NOS. 20188,  
OPERATING, LLC FOR COMPULSORY POOLING 20189  
AND APPROVAL OF AN UNORTHODOX LOCATION,  
EDDY COUNTY, NEW MEXICO.

and

APPLICATION OF COG OPERATING, LLC FOR CASE NOS. 20078,  
COMPULSORY POOLING, EDDY COUNTY 20120,  
NEW MEXICO. 20122

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 24, 2019

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
KATHLEEN MURPHY, TECHNICAL EXAMINER  
TERRY WARNELL, TECHNICAL EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER

1                   This matter came on for hearing before the  
2 New Mexico Oil Conservation Division, Michael McMillan,  
3 Chief Examiner; Kathleen Murphy and Terry Warnell,  
4 Technical Examiners; and David K. Brooks, Legal  
5 Examiner, on Thursday, January 24, 2019, at the New  
6 Mexico Energy, Minerals and Natural Resources  
7 Department, Wendell Chino Building, 1220 South St.  
8 Francis Drive, Porter Hall, Room 102, Santa Fe, New  
9 Mexico.

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22       REPORTED BY: Mary C. Hankins, CCR, RPR  
23                   New Mexico CCR #20  
24                   Paul Baca Professional Court Reporters  
25                   500 4th Street, Northwest, Suite 105  
                  Albuquerque, New Mexico 87102  
                  (505) 843-9241

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

# APPEARANCES

## FOR THE APPLICANTS:

JORDAN L. KESSLER, ESQ.  
HOLLAND & HART, LLP  
110 North Guadalupe, Suite 1  
Santa Fe, New Mexico 87501  
(505) 988-4421  
jlkessler@hollandhart.com

## REPORTER'S NOTE:

Through Ms. Kessler, in Case 20188, Mr. Bruce appears on behalf of Challenger Crude Limited; in Case 20182, Mr. Bruce appears on behalf of MRC Delaware and ConocoPhillips; in Case 20120, Mr. Bruce appears on behalf of ConocoPhillips.

# INDEX

## PAGE

Case Numbers 20185, 20186, 20187, 20188, 20189, 20192, 20078, 20120, 20122 Called	3
Proceedings	3
Proceedings Conclude	6
Certificate of Court Reporter	7

## EXHIBITS OFFERED AND ADMITTED

(No Exhibits.)

1 (10:09 a.m.)

2 EXAMINER McMILLAN: We're on page 3? Are  
3 we on 20185?

4 MS. KESSLER: That's what I have. I don't  
5 know if Ms. Callahan is before.

6 EXAMINER McMILLAN: I have 20184 is  
7 continued.

8 MS. KESSLER: It is. Yes.

9 EXAMINER McMILLAN: So we're on 20185?

10 EXAMINER WARNELL: When is 84 continued to?  
11 Do you have a date?

12 EXAMINER McMILLAN: Next available docket.

13 EXAMINER WARNELL: N-A (laughter).

14 EXAMINER BROOKS: Good abbreviation.

15 MS. KESSLER: N-A-D.

16 EXAMINER McMILLAN: Were these cases heard?

17 MS. KESSLER: These were all heard. All of  
18 the cases I'm about to do were heard, and I no  
19 additional exhibits. I am just asking that they be  
20 taken under advisement.

21 EXAMINER McMILLAN: I guess I'll literally  
22 open all the cases.

23 MS. KESSLER: I think notice is complete,  
24 and I would ask if it can be taken under advisement.

25 EXAMINER BROOKS: Okay with me.

1                   EXAMINER McMILLAN: At this time I would  
2 call Cases 20185, 20186, 20187, 20188, 20189, 20192,  
3 20078, 20120, 20122.

4                   Call for appearances.

5                   MS. KESSLER: Mr. Examiner, Jordan Kessler,  
6 with Holland & Hart, on behalf of the Applicant in each  
7 of those cases.

8                   And Mr. Bruce asked that I note his  
9 appearance in three of the cases, and I'll just read  
10 those into the record, if I may.

11                   In 20188, Mr. Bruce appears on behalf of  
12 Challenger Crude Limited, and in Case 20182, Mr. Bruce  
13 appears on behalf of MRC Delaware and ConocoPhillips.  
14 And in Case 20120, Mr. Bruce appears on behalf of  
15 ConocoPhillips. And he had no objection in any of these  
16 cases. He was just appearing for each of those cases,  
17 Mr. Examiner.

18                   EXAMINER McMILLAN: So no other  
19 appearances?

20                   MS. KESSLER: It was just Mr. Bruce.

21                   EXAMINER McMILLAN: Proceed.

22                   MS. KESSLER: For each of those cases,  
23 Mr. Examiner, the Notice of Affidavits were presented at  
24 the prior hearing. The affidavits and exhibits are in  
25 the Division's files. At this point notice is now

1 complete, and we ask that each of these cases be taken  
2 under advisement

3 EXAMINER McMILLAN: Each of these cases as  
4 previously mentioned shall be taken under advisement.

5 MS. KESSLER: Thank you.

6 (Case Numbers 20185, 20186, 20187, 20188,  
7 20189, 20192, 20078, 20120 and 20122  
8 conclude, 10:12 a.m.)

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
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 8th day of February 2019.  
21

22  
23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
25 New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters