

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS. 21262, 21263

APPLICATION OF CHISHOLM ENERGY
OPERATING, LLC FOR COMPULSORY
POOLING in LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS.

EXAMINER HEARING

THURSDAY, SEPTEMBER 10, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, Felicia Orth,
Hearing Examiner, Scott Cox Technical Examiner, on
Thursday, September 10, 2020 by Webex
Videoconferencing Platform

Reported by: Mary Therese Macfarlane
New Mexico CCR NO. 122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

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STATEMENT BY MR. FELDEWERT:	5
APPLICANT WITNESSES BY AFFIDAVIT:	
JACOB DANIELS (Landman)	6
JOSH KUHN (Petroleum Engineer)	6
TAKEN UNDER ADVISEMENT:	7

E X H I B I T I N D E X

APPLICANT CHISHOLM ENERGY, LLC, EkXHIBITS	
TESTIMONY OF JACOB DANIELS	
A	7
A-1	7
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TESTIMONY OF JOSH KUHN	
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NOTICE EXHIBITS	
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1 (Time noted 9:40 a.m.)

2 HEARING EXAMINER ORTH: Let's move then to Cases
3 21262 and 21263. Chisholm Energy is the Applicant. These
4 are compulsory poolings for a well named Stetson.

5 Is that you, Mr. Feldewert, for the
6 Applicant?

7 MR. FELDEWERT: Yes, Madam Examiner. Michael
8 Feldewert with the Santa Fe office of Holland & Hart
9 appearing in both these cases for the Applicant.

10 HEARING EXAMINER ORTH: All right. Thank you.

11 We also have entries of appearance from EOG
12 and Cimarex.

13 Who here from Modrall, Sperling is
14 appearing for them?

15 MR. HOUGH: Madam Examiner, Lance Hough,
16 Modrall, Sperling, on behalf of Cimarex Energy Co. and EOG
17 Energy Resources.

18 HEARING EXAMINER ORTH: Thank you.

19 And Mr. Bruce, I see an appearance from you
20 for MCM Permian.

21 MR. BRUCE: That's correct, Madam Examiner

22 HEARING EXAMINER ORTH: All right. Let me pause
23 for a moment to see if there are any other appearances.

24 No. So I have a question next to whether
25 this case will be presented by affidavit. Is that your

1 proposal, Mr. Feldewert?

2 MR. FELDEWERT: Yes, Madam Examiner. It's my
3 understanding that the parties have agreed that this
4 matter can now proceed by affidavit.

5 HEARING EXAMINER ORTH: All right. Unless I
6 hear an Objection.

7 No? Please go ahead.

8 MR. FELDEWERT: Madam Examiner, Mr. Cox, we
9 admitted our material in advance of the hearing for this
10 matter. Two pooling applications are involved here, both
11 of which involve the east half of Sections 13 and 24 in 19
12 South, 35 East in Lea County.

13 The first case, Case 21362, involves a
14 spacing unit comprised of the west half of the east half
15 of this acreage. That will be standard 320-acre spacing
16 units in the Bone Spring Formation. That will be
17 dedicated initially to the 5H well, the Stetson 5H well.

18 The second case, 21263, is the second
19 spacing unit which is comprised of the east half of the
20 east half of this acreage. Again a standard 320-acre
21 spacing unit in the Bone Spring Formation, and that will
22 be dedicated to the 6H well.

23 Our packet contains the applications in
24 each of these cases, as well as a Compulsory Pooling
25 Checklist for each case.

1 Exhibit A is the affidavit of Jacob
2 Daniels. He's the landman for the company who has
3 testified before. He provides as Exhibit A-1 the draft
4 C-102s for each well.

5 Exhibit A-2 is a general location map
6 showing the spacing units and where they are located. He
7 also provides a schematic showing the ownership breakdown
8 for each particular spacing unit.

9 He provides in his affidavit a Well
10 Proposal Letter and the AFE for each of these proposals,
11 and Exhibit A-5 is his chronology of contacts

12 Exhibit B is the affidavit of Josh Kuhn who
13 is a geologist with the company. He provides as Exhibit
14 B-1 really the location map. He shows the spacing unit in
15 relation to the surrounding acreage and the existing
16 development.

17 His Exhibit B-2 is the structure map which
18 I believe contains the -- also that contains his cross
19 section line A to A prime, and shows the before wellbores
20 that he used to create his cross section which is his
21 Exhibit B-3, and on that exhibit he's identified the
22 targeted interval for both of these wells and their
23 respective spacing units.

24 Exhibit C contains our Affidavit of Notice
25 which was sent some time ago, and you will note that a

1 number of parties have appeared since and we've been
2 working towards this point.

3 And then Exhibit D is our Affidavit of
4 Publication in each case, because there's group of
5 overriding royalty interest owners that the company seeks
6 to pool. So they have been identified and the Notice was
7 directed to them by name.

8 So with that I would move the admission
9 into evidence of Chisholm Exhibits A, B, C and D, and ask
10 that these two matters be taken under advisement.

11 HEARING EXAMINER ORTH: Thank you, Mr.
12 Feldewert.

13 Are there questions from counsel, Mr. Hough
14 or Mr. Bruce?

15 MR. HOUGH: No questions.

16 MR. BRUCE: No questions.

17 HEARING EXAMINER ORTH: Thank you. Mr. Cox, any
18 questions?

19 MR. COX: No.

20 MR. FELDEWERT: Thank you.

21 HEARING EXAMINER ORTH: All right. Thank you
22 very much. Your exhibits are admitted and the matters
23 will be taken under advisement.

24 (Time noted 9:46 a.m.)

25

1 STATE OF NEW MEXICO)

2 : SS

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday, September

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10, 2020, the proceedings in the above-captioned matter

9

were taken before me; that I did report in stenographic

10

shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and correct transcription to

12

the best of my ability and control.

13

I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

16

that I have no interest whatsoever in the final

17

disposition of this case in any court.

18

/s/ Mary Macfarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

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License Expires: 12/31/2020

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