

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:

CASE NOS. 21584, 21585

Application of Spur Energy  
Partners, LLC, for compulsory pooling,  
Eddy County, New Mexico

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 7, 2020

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Hearing Examiner, Dylan Rose-Coss,  
Technical Examiner, Dean McClure, Technical  
Examiner, via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane  
New Mexico CCR No. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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(505) 843-9241

1 A P P E A R A N C E S.

2 For the Applicant:

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 4 Holland & Hart  
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1 (Time noted 8:50 a.m.)

2 HEARING EXAMINER BRANCARD: So I will call the  
3 next case.

4 As you can see, someone has just given me a  
5 headset to put on, and being brand new with this  
6 technology I have no idea idea how I sound. You all sound  
7 better. Of course when I put the headset on they had set  
8 the volume at 99 so everybody came in really loud.

9 Anyway, sort of look like a helicopter  
10 pilot here.

11 Well, I will call Case 21584, Spur Energy  
12 Partners. And I think we've moved on to Radiohead.

13 MS. BROGGI: Yes. Our new band is Radiohead.  
14 Once again, Julia Broggi with Holland & Hart on behalf of  
15 Applicant Spur Energy Partners, LLC. And we are asking to  
16 consolidate this case with the next one, which is 21585  
17 and, we would like to present both of these cases by  
18 affidavit.

19 HEARING EXAMINER BRANCARD: Okay. Thank you.

20 Are there any other interested parties in  
21 either 21584 or 21585?

22 Hearing none.

23 So you're going to provide two compulsory  
24 pooling applications at the same time; is that correct?

25 MS. BROGGI: Yes.

1 HEARING EXAMINER BRANCARD: Okay. You may  
2 proceed.

3 MS. BROGGI: I'll explain the reason why they  
4 have been consolidated.

5 In both of these cases Spur Energy is  
6 seeking to pool all of the uncommitted interests in the  
7 Yeso Formation in a 200-acre spacing unit comprised of the  
8 north half of the south half of Section 28, and the  
9 northeast quarter of the southeast quarter Section 29,  
10 Township 18 South, Range 26 East, NMPM, Eddy County, New  
11 Mexico.

12 Once again these cases, this formation does  
13 have a depth severance in it, so Case No. 21584 is seeking  
14 to pool the uncommitted interests above the depth  
15 severance, and then the corresponding Case 21585 is  
16 seeking to pool all of the uncommitted interests below the  
17 depth severance.

18 Just to orient you a bit -- well, let me  
19 show you what's in the exhibit packet and then I can  
20 orient you with a little bit more information about the  
21 depth severance, if you would like that.

22 Once again you should have received once  
23 again one packet of exhibits for both these cases. You  
24 will see at the front our usual Table of Contents showing  
25 that the Compulsory Pooling Application Checklist is

1 Exhibit A. Both of the applications have been included as  
2 Exhibit B. Then you will find the affidavit of the  
3 landman Megan Pena as Exhibit C, and then her  
4 corresponding land exhibits, which have been marked Spur  
5 Exhibit C-1 through Spur Exhibit C-5.

6 In her affidavit you'll see at both  
7 paragraph 5 and then paragraph 11, you'll see that in the  
8 first case we are seeking to pool at a depth of 3,200 feet  
9 to the top of the Yeso Formation, and then in the other  
10 case, 21585, we are seeking to pool from a depth of 3,201  
11 feet to the base of that pool.

12 Then finally -- or not finally but we also  
13 have an affidavit from the geologist, which has been  
14 marked as Exhibit D. That is C.J. Lipinski, and then the  
15 corresponding geology exhibits to that affidavit, which  
16 are Exhibit D-1 through D-4.

17 We have an affidavit from my office signed  
18 by Attorney Kaitlyn Luck showing that we provided Notice  
19 of this hearing to the interested parties.

20 Once again, my understanding is that all  
21 parts were locatable but that out of an abundance of  
22 caution we also provided Notice of the hearing by  
23 publication, and the affidavits of those Notice by  
24 Publication are included as Exhibit F.

25 So at this point Spur Energy would move the

1 admission of Spur Exhibits A through Exhibit F.

2 HEARING EXAMINER BRANCARD: Okay. And you have  
3 the qualifications of the witnesses?

4 MS. BROGGI: To be fair, they are actually the  
5 same witnesses in all of these Spur Energy cases.

6 HEARING EXAMINER BRANCARD: Oh, okay. Fine.

7 MS. BROGGI: And I think I have a couple more.

8 But, yes, once again they have testified  
9 before the Division and they include in their affidavit  
10 that their credentials have been accepted by the Division.

11 HEARING EXAMINER BRANCARD: Hearing examiners,  
12 any questions?

13 EXAMINER ROSE-COSS: Thank you for your  
14 explanation, Ms. Broggi. I do not have any questions at  
15 this time.

16 MS. BROGGI: Thank you.

17 EXAMINER ROSE-COSS: You're muted, Dean. I  
18 unmuted you now.

19 We still can't hear you.

20 EXAMINER McCLURE: Can you hear me now?

21 EXAMINER ROSE-COSS: Yes.

22 EXAMINER McCLURE: I apologize. I had to cough  
23 earlier and forgot to unmute myself again. Yeah.

24 Now, it looks like, though, there is a  
25 difference in ownership that cuts right in the middle of

1 this pool here. Considering that you're getting a CP case  
2 for above and below where the depth severance is, is my  
3 assumption correct, then, that you're going to keep the  
4 wells, once the lateral's drilled, separated between these  
5 two ownerships. Is that correct?

6 MS. BROGGI: Yes, that's my understanding.

7 EXAMINER McCLURE: That was my only question.

8 Thank you.

9 MS. BROGGI: If there are no further questions,  
10 we would ask that Case Nos. 21584 and 21585 be taken  
11 under advisement.

12 HEARING EXAMINER BRANCARD: Thank you. Are  
13 there any other comments from the audience, any parties?

14 Hearing none, we will admit the exhibits in  
15 cases 21584 and 21585 and take the cases under  
16 consideration. Okay.

17 (Time noted 8:56 a.m.)

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1 STATE OF NEW MEXICO )

2 : SS

3 COUNTY OF TAOS )

4 REPORTER'S CERTIFICATE

5 I, MARY THERESE MACFARLANE, New Mexico Reporter  
6 CCR No. 122, DO HEREBY CERTIFY that on Thursday,  
7 January 7, 2021, the proceedings in the above-captioned  
8 matter were taken before me; that I did report in  
9 stenographic shorthand the proceedings set forth herein,  
10 and the foregoing pages are a true and correct  
11 transcription to the best of my ability and control.

12 I FURTHER CERTIFY that I am neither employed by  
13 nor related to nor contracted with (unless excepted by the  
14 rules) any of the parties or attorneys in this case, and  
15 that I have no interest whatsoever in the final  
16 disposition of this case in any court.

17 /s/ Mary Macfarlane

18 \_\_\_\_\_

19 Mary Therese Macfarlane, CCR  
20 NM Certified Court Reporter No. 122  
License Expires: 12/31/2021

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