

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:

Application of Longfellow Energy, LP
for Compulsory Pooling and for
Approval of a Non-Standard Location,
Eddy County, New Mexico

Case No. 21954

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MOTION TO CONTINUE

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, Legal
Examiner William Brancard, Technical Examiner
Leonard Lowe, on Thursday, June 17, 2021, via
the Webex virtual Conferencing 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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A P P E A R A N C E S

For Longfellow Energy:

Sharon T. Shaheen, Esq.
Montgomery & Andrews
325 Paseo de Peralta
Santa Fe NM 87501
(505) 986-2678
sshahen@montand.com.

For ConocoPhillips:

Dana S. Hardy, Esq.
215 Montezuma Avenue.
Santa Fe, NM 87504
(505) 982-4544
dhardy@hinklelawfirm.com.

For Spur Energy Partners:

Adam G. Rankin, Esq.
Holland & Hart
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
agrarkin@hollandhart.com

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1 (Time noted 8:21 a.m.)

2 EXAMINER BRANCARD: Okay. We will call Case
3 No. 3, again Longfellow Energy, Case 21954. Montgomery &
4 Andrews.

5 MS. SHAHEEN: Thank you, Mr. Examiner. Sharon
6 Shaheen on behalf of the Applicant Longfellow Energy.

7 EXAMINER BRANCARD: Okay. I have an appearance
8 here from ConocoPhillips.

9 MS. HARDY: Yes. Good morning, Mr. Hearing
10 Examiner. Dana Hardy with the Santa Fe office of Hinkle
11 Shanor for ConocoPhillips.

12 EXAMINER BRANCARD: Spur Energy?

13 MR. RANKIN: Good morning, Mr. Hearing Examiner.
14 Adam Rankin with the Santa Fe office of Holland & Hart
15 appearing on behalf of Spur Energy Partners.

16 EXAMINER BRANCARD: Okay. Any other parties
17 interested in Case 21954? (Note: No response.)

18 Okay. Ms. Shaheen, you're going to have to
19 explain what's going on here. This was a compulsory
20 pooling application but now it appears it is not a
21 compulsory pooling application, that you have another case
22 for compulsory pooling this unit, which leaves you, I
23 believe, with an administrative approval of a nonstandard
24 location left here.

25 We have a motion for continuance from

1 Conoco, but I will start with Ms. Shaheen. Can you
2 explain the history of these cases?

3 MS. SHAHEEN: Yes, I can.

4 We initially filed this case to do both --
5 to have both approval of force pooling and to also have a
6 hearing on the nonstandard location. At approximately the
7 same time we filed an administrative application for an
8 NSL.

9 Spur and Conoco objected to the
10 administrative application of the NSL, and so we are
11 hoping to go forward with the hearing on the NSL. We
12 would like to dismiss that portion of the application that
13 pertains to force pooling, as we subsequently filed a
14 separate application to force pool that included three
15 wells, three of the Elvis wells.

16 So our intent was to dismiss that portion,
17 the force pooling portion of this, the instant case, go
18 forward on the NSL hearing, and then the force pooling
19 application that's now on the July 1st docket would go
20 forward at that time.

21 EXAMINER BRANCARD: So why would we split these?

22 MS. SHAHEEN: I think they are two separate
23 issues. The NSL is separate, stands separate and apart
24 from the force pooling issues.

25 The Elvis well is on the August 27th date,

1 so it's important to be able to get that well spud in
2 accordance with the schedule. Longfellow has an interest
3 in each tract and therefore can go ahead and drill, and
4 has an APD that was issued, I believe back in April.

5 So because they have that on their drilling
6 schedule they would like to get approval of the NSL as
7 soon as possible.

8 EXAMINER BRANCARD: Okay. But your Case
9 21989 -- is that correct?

10 MS. SHAHEEN: That's what I was just double
11 checking. Yes, it's set for July 1st.

12 If possible what we would like to do -- I
13 understood that this case was going to be continued and
14 reset, and so Longfellow would request it be reset on that
15 July 1st docket so that it could be heard at the same time
16 as the force pooling application.

17 EXAMINER BRANCARD: Okay. So the motion here is
18 from ConocoPhillips.

19 Ms. Hardy.

20 MS. HARDY: Thank you, Mr. Examiner. Conoco
21 received Longfellow's Notice of their Administrative NSL
22 application on May 20th, so the time period for them to
23 object hadn't run by the time they filed their application
24 for contested hearing and Conoco requires additional time
25 to evaluate this matter. We did file a Prehearing

1 Statement as well as our Motion for Continuance, and at
2 this time Conoco is opposing the application and we would
3 ask for the matter to be continued to a contested hearing
4 date in August, or even September, to allow for time to
5 evaluate the situation.

6 They hold acreage in adjacent tracts, and
7 their correlative rights are at issue and they need to be
8 sure they are protected.

9 So I believe the July 1st docket isn't a
10 sufficient amount of time for Conoco to fully evaluate
11 this case and determine how to proceed.

12 I understand that Longfellow has a drilling
13 schedule, but when we are dealing with correlative rights
14 it seems that they may need to shift their drilling
15 schedule.

16 EXAMINER BRANCARD: Okay. Thank you.

17 Spur Energy any comments?

18 MR. RANKIN: Mr. Hearing Examiner, no. I think
19 we agree with what ConocoPhillips' counsel has stated in
20 terms of timing, and we would support moving the cases to
21 be heard together, the issues to heard together.

22 (Note: Muffled voices.)

23 EXAMINER BRANCARD: Earl, you're not muted.

24 MS. SHAHEEN: Mr. Examiner, if I may respond.

25 EXAMINER BRANCARD: Yes, please.

1 MS. SHAHEEN: With all due respect, I believe
2 that Conoco's concern is --

3 (Note: Muffled voices.)

4 EXAMINER BRANCARD: Mr. DeBrine, you're not
5 muted.

6 Please proceed.

7 MS. SHAHEEN: Conoco actually owns in the offset
8 a tract which is also operated by Longfellow, it's
9 Longfellow's Santana wells, and it elected to participate
10 in the drilling of six Yeso wells in that offset tract
11 within the Santana wells.

12 There is actually an NSL in that group of
13 wells, the Santana wells, that I believe is offset by this
14 spacing unit for the Elvis wells.

15 Conoco owns 12 1/2 percent working interest
16 in the horizontal spacing unit proposed for Elvis wells,
17 and it owns 18.75 percent working interest in the adjacent
18 offsetting tract.

19 It did not oppose the NSL for the Santana.
20 I mean, there's not much of a difference in the interest
21 there, so it doesn't seem to Longfellow that Conoco really
22 has a concern. It's participating in both tracts, the
23 Elvis tract and the offsetting tract, and its percentage
24 of interest is approximately the same. So there's really
25 no impact on the correlative rights in approving an NSL

1 for the Elvis well.

2 So we would request it be heard on July
3 1st. And I understand it can't be heard on July 15th, but
4 if there is availability on August 5th, we would ask that
5 it be set no later than that, but we believe it should be
6 set for the July 1st date.

7 EXAMINER BRANCARD: Okay. I'm going to propose
8 that this case be moved to July 1st with the hope that the
9 parties can resolve it by then; and if not, we will look
10 for a later date to have a more contested hearing on this.

11 So that's -- I think that's the best way to
12 do it, because we already have the other cases set for
13 July 1, and we just combine/consolidate those cases, 21954
14 and 21989 and set them for July 1.

15 Any further comments.

16 MS. SHAHEEN: Not from Longfellow. Thank you,
17 Mr. Examiner.

18 MS. HARDY: No, Mr. Examiner.

19 EXAMINER BRANCARD: Okay. Thank you everyone
20 for your patience with these scheduling issues.

21 (Time noted 8:27 a.m.)

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1 STATE OF NEW MEXICO)

2 : SS

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

6

I, MARY THERESE MACFARLANE, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 17,

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2021, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

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shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and correct transcription to

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the best of my ability and control.

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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: 12/31/2021

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