

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. 22020
Case No. 22021

REPORTER'S TRANSCRIPT OF PROCEEDINGS

STATUS CONFERENCE

JULY 1, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, and John Garcia, Technical Examiner, on July 1, 2021, via the Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources.

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
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1 (Time noted 9:26 a.m.)

2 EXAMINER BRANCARD: But don't leave us,
3 Ms. Shaheen, because I think you're up next to do the same
4 thing again with Cases 22020 and 22021, Longfellow Energy.

5 Are you here for Longfellow Energy?

6 MS. SHAHEEN: Yes. Sharon Shaheen of Montgomery
7 and Andrews on behalf of Longfellow Energy.

8 EXAMINER BRANCARD: These are items 3 and 4 on
9 our docket.

10 ConocoPhillips?

11 MS. HARDY: Yes, Mr. Hearing Examiner. Dana
12 Hardy for ConocoPhillips.

13 EXAMINER BRANCARD: Okay. And I have Spur
14 Energy Partners for both cases.

15 MR. RANKIN: Good morning, Mr. Hearing Examiner.
16 Adam Rankin of the law firm of Holland and Hart for Spur
17 Energy Partners in both of these cases.

18 EXAMINER BRANCARD: Then I have SOC 1999
19 Partnership Limited and SOC GP, LLC.

20 MR. FELDEWERT: Mr. Examiner, Michael Feldewert,
21 of the Santa Fe Office of Holland and Hart appearing on
22 behalf of those clients in Case 22021.

23 EXAMINER BRANCARD: Okay. I'll try not to get
24 confused. All right.

25 We are here again on this case, but I

1 believe, Ms. Shaheen, that our administrative folks have
2 moved ahead with the NSL application in this case.

3 MS. SHAHEEN: That is correct. We did receive
4 an Administrative Order from -- that was approved a few
5 days ago, and as a result of that Administrative Order
6 being approved without objection, I will be dismissing
7 22020, which is the request for the NSL hearing.

8 EXAMINER BRANCARD: Okay. Let me go to Ms.
9 Hardy.

10 What is the position of ConocoPhillips on
11 these two cases?

12 MS. HARDY: Similar to the last cases,
13 Mr. Examiner. ConocoPhillips is evaluating these
14 applications and has concerns and has filed Prehearing
15 Statements at this time. And I also understand that Spur
16 is filing competing applications, so I believe that the
17 parties would request a date for a contested hearing.

18 That's my understanding of where we are.

19 EXAMINER BRANCARD: Okay. Mr. Rankin, Spur
20 Energy Partners.

21 MR. RANKIN: Good morning, Mr. Examiner. Thank
22 you. Ms. Hardy is correct, and Ms. Shaheen was correct
23 when she advised the Division her understanding that Spur
24 would be filing or had a competing Well Plan for some of
25 the acreage involved here.

1 So Spur will be filing competing well
2 pooling cases in the next few days, and we would request,
3 therefore, that the compulsory pooling cases be set for
4 contested hearing.

5 I also want to say that this is a situation
6 where Spur was confused about the NSL portion of these
7 cases. Uhm, when we realized that the, uh -- that there
8 was an NSL administrative application, as well, we filed
9 an objection to that. It was received by the Division one
10 day after the 20-day deadline, and so they'd already
11 approved the administrative application.

12 So we're evaluating our position on that,
13 and we may be filing an application to revoke or rescind
14 that NSL because of the impact. It's 142 feet, I believe,
15 off the boundary of the unit, which abuts another unit
16 that Spur is evaluating its Development Plans in. So they
17 have concerns about the proximity of that completed
18 lateral to their offsetting acreage.

19 So we are evaluating what we can possibly
20 do to address that issue. We had understood it was going
21 to be part of the pooling case, so there was some
22 confusion over how to handle that, so we filed an
23 objection as soon as we realized, and then found out after
24 the fact that it had already been approved.

25 EXAMINER BRANCARD: Okay.

1 So, to be clear, Spur is opposing Case 021,
2 the compulsory pooling cases. And you are positive they
3 are going to file competing applications?

4 MR. RANKIN: Yes. We have had one drafted, we
5 are just finalizing it for filing, and we'll get it filed
6 perhaps by the end of the week, and, if not, by the filing
7 deadline on Tuesday before the August docket.

8 EXAMINER BRANCARD: And you're also opposed to
9 the non-standard location in -020.

10 MR. RANKIN: That's correct.

11 EXAMINER BRANCARD: A word of warning. You
12 know, Mr. Lowe is very efficient with his non-standard
13 location approval reviews, so you need to get your
14 objections in. But if you are going to file a motion to
15 rescind that approval, you need to do so ASAP.

16 All right. Somewhere down the hall,
17 Mr. Feldewert?

18 And you're muted.

19 MR. FELDEWERT: Can you hear me now?

20 EXAMINER BRANCARD: I can.

21 MR. FELDEWERT: SOC, like I said, is just in the
22 pooling case, and they had some concerns about the lack of
23 discussions between them and Longfellow. My understanding
24 is that the parties have actually been initiating some
25 discussions, so they are hopeful that they can reach a

1 voluntary agreement with the applicant. That has not been
2 done yet but that's what they are hopeful that they can
3 now reach a voluntary agreement since discussions have
4 commenced.

5 EXAMINER BRANCARD: Okay.

6 MS. SHAHEEN: If I may, Mr. Brancard.

7 EXAMINER BRANCARD: Yes. Please respond, Ms.
8 Shaheen.

9 MS. SHAHEEN: We think that this case should be
10 heard on September 23rd. We think that gives Spur plenty
11 of time to gets its applications filed, and so we would
12 request that it be set for contested hearing on September
13 23rd. And that would be for both Spur's Application to
14 Rescind Approval of the Administrative Order if they do
15 intend to do that. I would like to combine those two,
16 uh -- well, I guess it would be a number of cases
17 depending on how many applications Spur files with respect
18 to competing forced pooling proposals.

19 EXAMINER BRANCARD: Okay. Mr. Rankin, do you
20 have any idea how many applications we are looking at
21 here?

22 MR. RANKIN: I have to confirm that, but I think
23 it would be just the application to pool and the
24 application to rescind. Yeah, that's all.

25 EXAMINER BRANCARD: Okay. Well, good idea, Ms.

1 Shaheen, but it looks like September 23rd is already
2 getting filled up with competing cases right now, so why
3 don't we set this case for October 7th. And I would
4 really like it if, Mr. Rankin, you can get those competing
5 cases in quickly so I can include them in a Prehearing
6 Order.

7 MR. RANKIN: We will do so, and intend to do so
8 before the end of the week.

9 EXAMINER BRANCARD: Thank you.

10 Any further comments on these cases? Any
11 other persons interested in Cases 22020, 22021? (Note:
12 Pause.) Okay. With that, Cases 22020, 22021 will be
13 scheduled for a contested hearing on October 7th, and I
14 will issue a Pre-hearing Order. Thank you.

15 MS. SHAHEEN: Thank you.

16 (Time noted 9:31 a.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, July 1,
8 2021, the proceedings in the above-captioned matter were
9 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
19 _____

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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