

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: 21262, 21263

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
JULY 23, 2020  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
FELICIA ORTH and TECHNICAL EXAMINER JOHN GARCIA on Thursday,  
July 23, 2020 through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

For the Applicant:

MICHAEL FELDEWERT  
HOLLAND & HART  
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For EOG and Cimarex:

LANCE HOUGH  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
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For MCM Permian:

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I N D E X

CASE CALLED

STATUS CONFERENCE 03

REPORTER CERTIFICATE 08

1 HEARING EXAMINER ORTH: So I will begin with the  
2 first two cases which appear to be consolidated or  
3 appropriate for consolidation, 21262 and 21263, Application  
4 of Chisholm Energy, compulsory pooling matters. The well  
5 name is Stetson 1324.

6 Who is here from Holland & Hart for the  
7 applicant?

8 MR. FELDEWERT: May it please the examiner,  
9 Michael Feldewert with the Santa Fe office of Holland & Hart  
10 on behalf of Chisholm Energy Operating.

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

13 Other parties entering an appearance include EOG  
14 and Cimarex. Who here is from Modrall Sperling for that?

15 MR. HOUGH: Lance Hough from Modrall Sperling on  
16 behalf of EOG and Cimarex Energy Co.

17 HEARING EXAMINER ORTH: Thank you, Mr. Hough.

18 And we have MCM Permian. Mr. Bruce are you with  
19 us?

20 MR. BRUCE: Yes, I am, Madam Examiner.

21 HEARING EXAMINER ORTH: All right. Thank you.  
22 Let me pause just a moment in the event there are other  
23 appearances.

24 (No audible response.)

25 HEARING EXAMINER ORTH: No? Thank you. This is

1 a status conference. If you would, Mr. Feldewert.

2 MR. FELDEWERT: Thank you, Madam Examiner. I  
3 actually see it has been continued. This case has been  
4 continued a number of times at the request of parties to be  
5 pooled, the most recent was Mr. Bruce and MCM Permian, and  
6 given, Madam Examiner, I thought rather than just agreeing  
7 to additional continuances and given that we (inaudible)  
8 done, I would ask for a prehearing conference.

9 I'm not sure what is contested, so I don't know  
10 what is to be addressed that is contested, but I would like  
11 to get some certainty as to a hearing that we can all agree  
12 to and move forward on. I would rather do it by affidavit,  
13 but I am concerned about another continuance and then having  
14 someone at the end of that continuance object to proceeding  
15 by affidavit and then we get delayed, so that's what I'm  
16 trying to avoid.

17 HEARING EXAMINER ORTH: Okay. Thank you.

18 Mr. Hough or Mr. Bruce, do you have anything to  
19 add, or shall we just start looking at the calendar for a  
20 hearing date.

21 MR. BRUCE: I think we can start looking at a  
22 hearing date. I agree with Mr. Feldewert, and my client  
23 isn't interested in a long continuance. I think MCM  
24 Permian, they don't feel there has been enough contact  
25 between Permian and MCM, but if we can set it for a hearing

1 date and thing can get wrapped up and Mr. Feldewert can  
2 submit the matter by affidavit eventually.

3 MR. HOUGH: This Lance Hough (inaudible) just  
4 setting a hearing and working on trying to work something  
5 out between us.

6 HEARING EXAMINER ORTH: All right. Let me ask if  
7 you believe whether the hearing could be handled within,  
8 say, five or six hours. The reason --

9 MR. BRUCE: I believe so.

10 HEARING EXAMINER ORTH: You believe so, okay,  
11 thank you, Mr. Bruce. The reason I'm asking is that all  
12 those dates in August are now booked. I'm looking at, for  
13 example, September 10, and we already have a hearing  
14 scheduled for September 11, but we seem to have quite a few  
15 left in the day at the end of these Thursday morning  
16 hearings actually. So September 10 is a possibility so long  
17 as we can start after the hearing session.

18 Otherwise that first week of October is booked,  
19 and we are moving out to October 22 or 23.

20 MR. FELDEWERT: Madam Examiner, given that there  
21 is, sounds like a good possibility, we are going to be able  
22 to proceed by affidavit, or at the very least the witnesses  
23 can be very limited because there is not a competing  
24 development plan. I don't see this taking very long, so I  
25 would prefer September 10.

1 HEARING EXAMINER ORTH: Mr. Bruce, how do you  
2 feel about September 10?

3 MR. BRUCE: That's fine with me.

4 HEARING EXAMINER ORTH: Mr. Hough?

5 MR. HOUGH: That's fine.

6 THE COURT: Thank you. We will set it for  
7 September 10, and this is Chisholm Energy, EOG, Cimarex and  
8 MCM Permian, and the notice will simply say that it will  
9 follow the regular hearing docket. So if you fellows would  
10 please submit a prehearing order with that date as the  
11 hearing date and whatever other dates fit in before that  
12 such that we will have your testimony in narrative form, for  
13 example, at some point shortly before the hearing.

14 MR. FELDEWERT: What's the -- Madam Examiner,  
15 what's the traditional time frame for the narrative  
16 testimony?

17 HEARING EXAMINER ORTH: Well, so the protocol  
18 we've set is to have it the Thursday before the Thursday of  
19 the hearing. In this case that would be September 3.

20 MR. FELDEWERT: Thank you.

21 HEARING EXAMINER ORTH: And then there are a few  
22 other deadlines, like evidentiary motions, I think, come in  
23 the Tuesday before the hearing, that sort of thing.

24 MR. FELDEWERT: Yes, Thank you, I'm familiar with  
25 those.

1 HEARING EXAMINER ORTH: All right. And is there  
2 anything else to talk about around 21262 or 21263?

3 (No audible response.)

4 HEARING EXAMINER ORTH: Hearing nothing, thank  
5 you all, gentlemen, and we will move to the next two  
6 matters.

7 (Concluded.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing virtual proceedings in stenographic shorthand and  
9 that the foregoing pages are a true and correct transcript  
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by  
12 nor related to any of the parties or attorneys in this case  
13 and that I have no interest in the final disposition of this  
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of poor to good quality.

17 Dated this 23rd day of July 2020.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-21

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