

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: 21282

APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER EXTENDING CERTAIN POOLS IN  
SAN JUAN COUNTIES, NEW MEXICO.

CASE NOS: 21283

APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER ABOLISHING AND EXTENDING CERTAIN  
POOLS IN MCKINLEY, SANDOVAL AND  
SAN JUAN COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
JULY 9, 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 DYLAN COSS and LEONARD  
LOWE on Thursday, July 9, 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:

KATHERINE PICKFORD  
Geologist for OCD

I N D E X

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1 HEARING EXAMINER ORTH: The first is 21282,  
2 extend Tocito Dome Miss Pool. Miss Pickford are you on the  
3 line?

4 MS. PICKFORD: I can't get Webex to connect to my  
5 camera, so I apologize for that. Can you hear me?

6 HEARING EXAMINER ORTH: Yes. There is no camera,  
7 that's fine.

8 MS. PICKFORD: Okay. Did you want me to proceed  
9 with my presentation?

10 HEARING EXAMINER ORTH: Yes, please.

11 MS. PICKFORD: Okay. For this first case, this  
12 relates to the Mississippian pools, the (garbled audio)  
13 Mississippian. There has been some recent activity which  
14 expanded this pool, so I expanded the boundaries based on  
15 current activity, and John Garcia was the petroleum  
16 engineer when the division reviewed my work to ensure its  
17 accuracy. So the proposal is simply to extend the full  
18 boundaries based on current activity.

19 HEARING EXAMINER ORTH: All right. Does anyone  
20 have a question of Miss Pickford about the extension of  
21 these pools?

22 (No audible response.)

23 HEARING EXAMINER ORTH: I hear no questions, Miss  
24 Pickford. Thank you for your proposal on 21282. Let's move  
25 then to 21283 relating to nomenclature around some pools.

1 MS. PICKFORD: In this case (garbled audio)  
2 focused on updating records for Entrada pools. There is one  
3 pool that's being proposed to be abolished, it's the West  
4 Eagle Mesa Entrada. There was a discovery well that created  
5 this pool in 2000, and it was created in Order R-11445,  
6 however the discovery well never reported to this pool, and  
7 no wells have reported to this pool.

8 So OCD is proposing to abolish this pool and the  
9 Southeast Arena Blanca Entrada is proposed to expand into  
10 the area of the Eagle -- West Eagle Mesa Entrada to  
11 accommodate the wells. So they are reporting to the  
12 Southeast Arena Entrada, and then the Entrada pools in this  
13 case are the Leggs Entrada Oil Pool, the Ojo Encino Entrada  
14 Oil Pool, the Papers Wash Entrada Oil Pool and the Ute Dome  
15 Morrison Gas Pool. And OCD's proposal is just expanding  
16 these pool boundaries to accommodate wells that are  
17 reporting to these pools. Again, John Garcia in the  
18 engineering bureau in the OCD reviewed my work to ensure its  
19 accuracy.

20 HEARING EXAMINER ORTH: All right. Thank you,  
21 Miss Pickford. Are there any questions of Miss Pickford?

22 TECHNICAL EXAMINER COSS: I have a question here,  
23 Good morning, Dylan Coss of the Oil Conservation Division.  
24 So just kind of reviewing the full extension areas, I see  
25 that in some instances, what's being added on to the pool

1 is -- it isn't very substantial and somewhat discontinuous.  
2 Is there a potential for wells to be added in between maybe  
3 some of these areas that aren't specifically connected and  
4 therefore needing to expand the pools at some point?

5 MS. PICKFORD: I'm not aware that there is any  
6 continuity. There are case files that show where the  
7 expansions are occurring, and there are some odd shapes in  
8 certain cases, especially when there are 40-acre spacing  
9 units where they -- like an (garbled audio) that goes  
10 laterally across the string of quarter-quarter sections, but  
11 everything is connected. There is no broken-off areas that  
12 aren't attached to somehow. And you know, sometimes these  
13 pools do sort of have fingers, they go -- that kind of  
14 weave in between each other, but there's, there's no  
15 disconnect essentially between -- like there is never --  
16 there's a pool or an area where another pool could chop it  
17 off in between. If that makes sense.

18 TECHNICAL EXAMINER COSS: I see that (garbled  
19 audio) they never are broken, but they do make some  
20 different shapes. I'm looking at Encino Entrada Pool right  
21 now. So that there is currently wells then reporting to  
22 this pool, but they aren't officially added to the pool. So  
23 hypothetically, if the well was drilled with near this pool,  
24 but into the same formation, it would be called a wildcat,  
25 or would they be reporting to this same pool?

1 MS. PICKFORD: On the northwest (garbled audio)  
2 two miles to that existing pool boundary, it essentially  
3 expands that pool. And what happened is since the  
4 nomenclature hasn't been kept up to date, that's why we are  
5 doing what we are doing now to clean up the pool boundaries.

6 So in order to accommodate, for example, if you  
7 are looking at 40-acre spacing, in order to accommodate a  
8 well that's been drilled just inside the two-mile limit,  
9 there has to be some way to connect it to the existing pool.  
10 So that's why sometimes there has to be stringers that run  
11 over to the well to be included in the pool.

12 TECHNICAL EXAMINER COSS: I see, okay. Those are  
13 essentially my questions, and I don't have any more beyond  
14 that, so I yield.

15 HEARING EXAMINER ORTH: Oh, thank you, Mr. Coss.  
16 Are there other questions of Miss Pickford.

17 (No audible response.)

18 HEARING EXAMINER ORTH: No? All right. Well,  
19 thank you very much, Miss Pickford. Let me take a moment to  
20 note that we have two technical examiners likely to ask  
21 questions this morning one is Dylan Rose Coss, and the other  
22 is Leonard Lowe.

23 And Mr. Coss has reposted the docket worksheet  
24 this morning to replace the one with tiny font with somewhat  
25 larger font. It's in the same place that the original

1 docket was posted, so if you are having trouble reading the  
2 docket that was originally posted, please reach out to that.

3 (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 quality.

17 Dated this 9th 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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