

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 Approval of a Non-Standard Location,
Eddy County, New Mexico Case No. 22020

Application of LONGFELLOW ENERGY, LP
for Compulsory Pooling,
Eddy County, New Mexico Case No. 22021

Application of SPUR ENERGY PARTNERS,
LLC to Rescind the Approval of
Administrative Order NSL-8185
Eddy County, New Mexico Case No. 22091

Application of SPUR ENERGY PARTNERS,
LLC for Compulsory Pooling,
Eddy County, New Mexico Case No. 22092

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, OCTOBER 7, 2021

EXAMINER HEARING

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq. Hearing Examiner, Dylan Rose-Coss,
Technical Examiner, on Thursday, October 7, 2021,
via 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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C O N T E N T S

CASE NOS: 22020, 22021, 22091, 22092	PAGE
CASES CALLED:	4
INQUIRY BY EXAMINER ROSE-COSS:	9
CASE 22021 TAKEN UNDER ADVISEMENT:	11.

1	I N D E X O F E X H I B I T S		
2	LONGFELLOW ENERGY, LP EXHIBITS:		PAGE
3	1 Checklist		11
4	2 Application		11
5	A Affidavit of Ryan Reynolds, Landman		11
6	A-1 General Location Map		11
7	A-2 Tract Map		11
8	A-3 HSU Ownership and Wellbore Map		11
9	A-4 Ownership Breakdown		11
10	A-5 Chronology of Contacts		11
11	A-6 C-102s		11
12	A-7 Well Proposal Letter and AFEs		11
13	A-8 Notice Letter		11
14	B Affidavit of Jennifer Eker, Geologist		11
15	B-1 Geological Summary, Regional View, Stratisgraphic Column		11
16	B-2 Regional Yeso Structure Map		11
17	B-3 Spacing Unit Schematic		11
18	B-4 Type Log		11
19	B-5 Yeso Structural Cross-Section Map		11
20	B-6 Structural Cross Section		11
21	B-7 Gunbarrel Diagram		11
22	C Affidavit of Notice		11
23			
24			
25			

1 (Time noted 10:43 a.m.)

2 EXAMINER BRANCARD: All right. Moving on,
3 hopefully a formerly contested group of cases but may be
4 going by affidavit today, but we'll find out.

5 I'll call -47, -48, -49, -50. These are
6 Longfellow in Cases 22020 and 22021 and Spur Energy
7 Partners Case 22091 and 22092.

8 So let's start with Longfellow.

9 MS. SHAHEEN: Good morning, everyone. Sharon
10 Shaheen on behalf of Longfellow Energy, LP.

11 EXAMINER BRANCARD: Are you going ahead with one
12 case by affidavit today, Ms. Shaheen?

13 MS. SHAHEEN: Yes, that's my intent is to go
14 forward with Case 22021. We will be filing a request to
15 dismiss Case No. 22020, assuming that Spur is going to
16 inform you as I expect them to.

17 EXAMINER BRANCARD: Well, everybody is waiting
18 for everybody else here.

19 So Spur Energy Partners.

20 MR. RANKIN: Good morning, Mr. Examiner. Adam
21 Rankin with the law firm of Holland & Hart appearing on
22 behalf of Spur Energy Partners in all four of those cases.

23 As indicated in a Prehearing Statement Spur
24 and Longfellow have reached an agreement whereby Spur will
25 dismiss its competing pooling case for the Flintwood well

1 and will dismiss its application to rescind or revoke
2 Longfellow's administrative approval of its nonstandard
3 well location on the grounds that Longfellow will, on the
4 record, remove its proposed nonstandard horizontal well
5 location approximately 15 feet to a more standard or
6 orthodox location.

7 MR. BRANCARD: Okay. So I'm getting that you
8 haven't filed these dismissals yet.

9 MR. RANKIN: I haven't yet. So the agreement
10 was we would confirm on the record that Longfellow was...

11 EXAMINER BRANCARD: All right. Well, let's look
12 for other places here.

13 ConocoPhillips.

14 MR. RODRIGUEZ: Good afternoon. Michael
15 Rodriguez with Hinkle Shanor on behalf of ConocoPhillips
16 Company, and Conoco does not take a position on these
17 matters.

18 EXAMINER BRANCARD: Thank you.

19 Are there any other interested persons for
20 Cases 22020, 22021, or 22091 and -92?

21 MR. FELDEWERT: Mr. Examiner, Michael Feldewert
22 with the Santa Fe office of Holland & Hart.

23 I have appeared in Case 22021 for SOC 1999
24 Partnership, for SOC GP, LLC. And they have been listed
25 in that case as pooled parties, and I understand the case

1 is going forward today, but Ms. Shaheen has confirmed for
2 me that they are no longer parties to be pooled, so with
3 that confirmation, you know, we have nothing further, no
4 further reason to participate in Case 22021.

5 EXAMINER BRANCARD: Is your client a working
6 interest owner?

7 MR. FELDEWERT: My client is, I understand, an
8 unleased interest owner.

9 EXAMINER BRANCARD: Okay. Ms. Shaheen, is that
10 correct?

11 MS. SHAHEEN: That's correct. I understand they
12 have reached an agreement with SOC, that Longfellow has
13 reached an agreement with SOC, and so they would not be
14 force pooling them.

15 EXAMINER BRANCARD: All right. Anyone else for
16 these cases? (Note: Pause.)

17 Hearing none, Ms. Shaheen you may proceed.

18 MS. SHAHEEN: Thank you.

19 In this Application 22021 Longfellow
20 proposes to drill six one-and-a-half-mile wells in the
21 Yeso Formation in a standard 480-acre horizontal spacing
22 unit comprised of the south half of Section 19, Township
23 17 South, Range 28 East, and the southeast quarter of
24 Section 24, Township 17 South, Range 27 East. And that's
25 in Eddy County. They propose to drill six wells. They're

1 the Bonzo Fed Com 1924CDX wells, and the wells will be 1H
2 through 6H. I believe it's the 6H that has the current
3 administrative approval for a nonstandard location, which
4 will be moved inward, that is how I see it, about 15 feet,
5 in accordance with the agreement with Spur.

6 If you turn to the Table of Contents,
7 that's helpful for me, in Tab 1 you will find the
8 requisite checklists.

9 Tab 2 is the Application.

10 Tab 3 you will find the Direct Testimony of
11 the landman Mr. Ryan Reynolds, who has previously
12 testified before the Division and had his testimony
13 accepted.

14 Then we have the requisite landman exhibits
15 here, A-1 through A-8 and I can talk more specifically
16 about any of those if you would like me to.

17 Exhibit B is the Direct Testimony or the
18 Affidavit of the geologist Jennifer Eker, and attached to
19 her affidavit are the requisite Exhibit, again Exhibits
20 B-1 through B-7.

21 Then finally Exhibit C is the Affidavit of
22 Notice which has my affidavit indicating that we sent
23 Notice of the Application to a number of interested
24 parties, and the green cards are attached. Some were
25 returned undelivered, but, regardless, in an abundance of

1 caution we did publish to all interested parties, and that
2 Affidavit of Publication is attached as an exhibit to
3 Exhibit C.

4 With that, unless there are questions I
5 would ask that the Division accept the exhibit package as
6 a matter of record and take the case under advisement.

7 EXAMINER BRANCARD: Thank you.

8 All right. Mr. Rankin, any questions or
9 concerns at this point?

10 MR. RANKIN: Mr. Examiner, thank you. On the
11 statement on the record Longfellow will be moving their 6H
12 well approximately 15 feet to a more standard location, we
13 have no objection to the admission of these records or the
14 Division undertaking this case for consideration.

15 So I'll just state that we understand that
16 because it's within 15 feet -- rather within 50 feet, the
17 proposed move of this well does not require further
18 approval by the Division, because we are in the variance
19 that's allowed under the Division's regulations.

20 EXAMINER BRANCARD: Thank you.

21 Mr. Rodriguez, you have no questions or
22 concerns; is that correct?

23 MR. RODRIGUEZ: That's correct. Thank you.

24 MR. BRANCARD: Thank you.

25 Mr. Feldewert?

1 MR. FELDEWERT: No, sir.

2 EXAMINER BRANCARD: All right. So Mr.
3 Rose-Coss.

4 EXAMINER ROSE-COSS: Good morning. A point of
5 clarification here.

6 Good morning, Ms. Shaheen.

7 MS. SHAHEEN: Good morning.

8 EXAMINER ROSE-COSS: Nice to see you again.

9 We are speaking about Case 22021, correct?

10 MS. SHAHEEN: That's right. That's Longfellow's
11 Compulsory Pooling Application.

12 EXAMINER ROSE-COSS: Okay. And I'm looking at
13 the exhibits here, and I feel like I heard you mention the
14 Yeso Formation, and in the exhibit here it's talking about
15 the Bone Spring. Am I confused about something?

16 Is this a development in the Yeso or --

17 MS. SHAHEEN: Are we looking at the Longfellow
18 exhibit package?

19 EXAMINER BRANCARD: 22021.

20 MS. SHAHEEN: Let me do a quick search here.

21 EXAMINER ROSE-COSS: That's what I'm looking at.

22 EXAMINER BRANCARD: So is there a particular
23 page of the exhibit that references the Bone Spring?

24 EXAMINER ROSE-COSS: I'll try to get back to it.

25 MS. SHAHEEN: I've done a quick search and I'm

1 not finding the Bone Spring, but I would note, though, my
2 next case does concern the Bone Spring, so that's why I
3 was just double checking that we are on the same exhibit
4 packet.

5 EXAMINER ROSE-COSS: Okay. I'm scrolling here,
6 and I went back up to the top from the geology section.
7 Okay?

8 So this is a grouping of cases, Bonzo
9 wells. It's going to Yeso and then Bone Spring and then
10 Wolfcamp, the whole development.

11 MS. SHAHEEN: I am unaware of any Bone Spring
12 wells here. So, I mean, I easily could have made a
13 mistake in the exhibit packets, and I'm happy to correct
14 that if that is the case. Like I said, I've done a search
15 and --

16 EXAMINER ROSE-COSS: You didn't find it. Could
17 probably do that too, here, look for it. (Note: Pause.)

18 Okay. Well, it seems like I was mistaken.
19 I see what I've done. Excuse me.

20 So there were -- it's resolved in my mind
21 now. Thank you. Sorry for any confusion. It piques my
22 interest when I hear Yeso because it's a new development
23 area, so I'm trying to look into it.

24 But there is no real questions for me,
25 then, if it's clear amongst all of the other parties about

1 what's going on about the compulsory pooling case.

2 MS. SHAHEEN: Please let me know if you find a
3 mistake, and I'm happy to correct it right away.

4 EXAMINER ROSE-COSS: No, I was looking in the
5 wrong exhibit packet. I have four open on my screen here.
6 So now I'm in the right one and scrolled through it again.

7 That was on my side. But thank you.

8 MS. SHAHEEN: Thank you.

9 EXAMINER BRANCARD: Thank you. Just to be
10 clear, these are Yeso wells, right?

11 MS. SHAHEEN: That's right.

12 EXAMINER BRANCARD: Okay.

13 Any other interested persons for Case
14 22021? (Note: Pause.)

15 Hearing none, we will admit the exhibits
16 here in Case 22021 and take the case under advisement, and
17 we will be awaiting dismissals, then, of Cases 22022,
18 22091 and 22092. Is that correct, Ms. Shaheen?

19 MS. SHAHEEN: That is correct.

20 EXAMINER BRANCARD: Is that correct, Mr. Rankin?

21 MR. RANKIN: Correct. We will be filing those
22 shortly.

23 EXAMINER BRANCARD: Thank you.

24 (Time noted 10:55 a.m.)

25

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,
8 October 7, 2021, the proceedings in the above-captioned
9 matter were taken before me; that I did report in
10 stenographic shorthand the proceedings set forth herein,
11 and the foregoing pages are a true and correct
12 transcription to 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

MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
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