

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: 22144, 22317

APPLICATION OF CIMAREX ENERGY COMPANY
FOR A HORIZONTAL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NOS: 22343, 22344

APPLICATION OF CHEVRON PRODUCTION COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
DECEMBER 2, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINERS DEAN McCLURE and
DYLAN ROSE-COSS on Thursday, December 2, 2021, 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 Chevron USA:

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For Cimarex Energy:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	09

1 HEARING EXAMINER BRANCARD: So now we have cases
2 11 through 14, 22144, 22317, Cimarex; 22343 and 344,
3 Chevron.

4 MR. BRUCE: Mr. Examiner, Jim Bruce representing
5 Cimarex.

6 HEARING EXAMINER BRANCARD: And Chevron?

7 MR. FELDEWERT: May it please the Examiner,
8 Michael Feldewert with the Santa Fe office of Holland &
9 Hart.

10 HEARING EXAMINER BRANCARD: I believe I have an
11 entry for MRC Permian?

12 MR. BRUCE: Mr. Examiner, Kyle Perkins from MRC
13 Permian entered an appearance. I did get an e-mail from him
14 saying he may be unable to attend this status conference.

15 HEARING EXAMINER BRANCARD: Okay. Are there any
16 other interested parties in Cases 22144, 317, 343, 344?

17 (No audible response.)

18 HEARING EXAMINER BRANCARD: Hearing not, where
19 are we going with these? There is a slight connection, I
20 think, to the next group of cases. These are the White City
21 cases I believe you referred to, Mr. Bruce.

22 MR. BRUCE: Yes, Mr. Examiner --

23 (Overtalk.)

24 HEARING EXAMINER BRANCARD: -- and you filed a
25 motion to segregate, which they are right now, so unless you

1 have a better idea, I'm treating these as two separate
2 groups of cases.

3 MR. BRUCE: Well, let's just start with the --
4 chevron has filed cases on certain of the acreage in the
5 White City area involving Wolfcamp wells, and Cimarex has
6 filed both Cimarex and Wolfcamp applications, but I believe
7 Chevron will be -- Mr. Feldewert can confirm -- Chevron will
8 be filing Bone Spring applications, and I think Cimarex will
9 be filing additional Wolfcamp applications.

10 So I don't know like when you're filing your
11 applications, but obviously the cases are not ripe for
12 hearing yet.

13 HEARING EXAMINER BRANCARD: Mr. Feldewert?

14 MR. FELDEWERT: Yes. I mean, things sorted out
15 here a little bit, we basically have some overlap in the
16 acreage, particularly with respect to Section 17 and 20
17 where Chevron owns the majority of the interest.

18 We do have currently Wolfcamp well proposals on
19 file. That's those two cases you have listed, Mr. Examiner,
20 22343 and 344. And they involve the E/2 and the W/2 of this
21 acreage. Chevron has also filed and they will be on the
22 January 6 docket, two mile pooling applications for Bone
23 Spring wells in Section 17 and 20, so they will be on the
24 January 6 docket.

25 I don't know what Cimarex's plans are with

1 respect to the Bone Spring when it comes to the W/2 acreage
2 because currently they have an application for the E/2
3 acreage, and I don't want this delayed any longer than
4 necessary.

5 So come January 6, my understanding, all the
6 cases will be on the docket and we should be in a position
7 now to set a contested case sometime after January 6.

8 MR. BRUCE: Mr. Examiner, yes, it's my job this
9 weekend to file a bunch of applications on the W/2 acreage
10 for Cimarex which Mr. Feldewert discussed. But, yeah, if we
11 could get a setting that would be good.

12 HEARING EXAMINER BRANCARD: Okay. So are we just
13 talking about these White City cases right now, that
14 acreage? Or is this all going to get jumbled together?

15 MR. FELDEWERT: To jump ahead, Mr. Examiner, to
16 the Southern Hills applications, they will need a hearing
17 date because Chevron does have some questions, some
18 concerns. Chevron will not be filing competing pooling
19 applications, so I don't think it's going to take very long.

20 HEARING EXAMINER BRANCARD: Okay. So these are
21 competing? What are the numbers of your cases, Mr.
22 Feldewert, do you know?

23 MR. FELDEWERT: 22343 to 44, and I will send to
24 you the cases for the Bone Spring applications that were
25 recently filed.

1 HEARING EXAMINER BRANCARD: You don't have that
2 handy.

3 MR. FELDEWERT: No, I do not.

4 HEARING EXAMINER BRANCARD: But you would like
5 that combined with these cases?

6 MR. FELDEWERT: The Bone Spring and Wolfcamp,
7 yes, because they own both the same acreage.

8 HEARING EXAMINER BRANCARD: And, Mr. Bruce, are
9 you going to file any more cases for this acreage for the
10 White City area.

11 MR. BRUCE: Yes, for Wolfcamp wells.

12 HEARING EXAMINER BRANCARD: Well, I'm wondering
13 if we need a status conference to sort all of this out or
14 whether we set a hearing out in the future.

15 MR. FELDEWERT: My preference, Mr. Examiner,
16 would be to go ahead and set a hearing.

17 MR. BRUCE: And that's fine with me, too, Mr.
18 Examiner.

19 HEARING EXAMINER BRANCARD: February 17?

20 MR. FELDEWERT: Give me one minute.

21 MR. BRUCE: Mr. Examiner, did you say January 17?

22 HEARING EXAMINER BRANCARD: No, February 17.

23 MR. BRUCE: February 17, that's fine with me.

24 MR. FELDEWERT: That works for me as well, Mr.
25 Examiner.

1 HEARING EXAMINER BRANCARD: I will need to do a
2 prehearing order, but it would be helpful to have all the
3 case numbers.

4 MR. FELDEWERT: It's on my list to get that to
5 you, Mr. Examiner.

6 MR. BRUCE: I haven't filed mine yet, so I will
7 get that to you ASAP.

8 HEARING EXAMINER BRANCARD: So when you file,
9 send a separate piece of paper or send an e-mail about the
10 situation, Mr. Bruce.

11 MR. BRUCE: Yes, sir.

12 HEARING EXAMINER BRANCARD: Don't assume we are
13 tracking the filing of new cases and figure out where they
14 are.

15 MR. BRUCE: I can't figure out my own.

16 MR. FELDEWERT: Actually, Mr. Examiner, I can
17 give those to you now.

18 HEARING EXAMINER BRANCARD: Excellent.

19 MR. FELDEWERT: I will send you an e-mail, it
20 will be clearer.

21 HEARING EXAMINER BRANCARD: All right. With
22 that, Cases 22144, 22317, 343 and 344 are set for a
23 contested hearing on February 17 with the proviso that
24 additional cases will be added on that cover the same
25 acreage. I will do a prehearing order. Thank you.

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MR. FELDEWERT: Thank you, sir.
(Concluded.)

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

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 reasonable quality.

17 Dated this 2nd day of December 2021.

18

/s/ Irene Delgado

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

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