

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: 22324

APPLICATION OF ADVANCE ENERGY PARTNERS
HAT MESA LLC TO AMEND ORDER NOS. R-21851
AND R-21853 TO CONSOLIDATE HORIZONTAL
SPACING UNITS, REVISE WELL LOCATIONS AND
INCLUDE ADDITIONAL WELLS,
LEA 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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Albuquerque, NM 87102
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A P P E A R A N C E S

For the Applicant:

DANA HARDY
HINKLE SHANOR LLP
P.O. Box 0268
Santa Fe, NM 87504
505-982-4554

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

E X H I B I T I N D E X

Admitted

Exhibits and Attachments 05

1 HEARING EXAMINER BRANCARD: With that, I call
2 Number 65 on our list today, Case 22324, Advanced Energy
3 Partners.

4 MS. HARDY: Yes, Mr. Examiner Dana Hardy with the
5 Santa Fe office of Hinkle Shanor on behalf of Advanced
6 Energy Partners Hat Mesa LLC.

7 HEARING EXAMINER BRANCARD: Are there any other
8 interested persons for Case 22324?

9 (No audible response.)

10 HEARING EXAMINER BRANCARD: Hearing none, please
11 proceed, Ms. Hardy.

12 MS. HARDY: Thank you. Advanced Energy Partners
13 seeks to amend the locations of the wells that were approved
14 under Order Numbers R-21851 and 21853, consolidate the
15 adjacent 360 acre horizontal spacing unit approved under
16 those orders into a 720 acre, more or less, standard
17 horizontal spacing unit within the Bone Spring formation
18 comprised of the S/2 of the NE/4 and SE/4 of Section 13, the
19 E/2 of Section 24 and the NE/4 of Section 25, Township 21
20 South, Range 32 East in Lea County.

21 Advanced also seeks to include additional wells
22 in the spacing unit, which are the Margarita Federal Com 13,
23 Number 19H and 20H wells. So basically we are seeking to
24 amend the prior orders to consolidate these spacing units
25 because proximity tract wells are involved now that the

1 wells are relocated and additional wells were added.

2 We have provided in support of the application
3 the affidavit of landman Paul Burdick and geologist Edward
4 Caamano. Mr. Burdick provides the standard land exhibits.
5 The plat and ownership information is included in A-3. The
6 hearing notice letter and return receipts are included in
7 Exhibit A-6, and an affidavit of publication is provided as
8 Exhibit A-7.

9 Mr. Caamano provides the standard geology
10 exhibits including a location map, structure map and cross
11 section.

12 With that, unless there are questions, I would
13 request that the exhibits be admitted into the record and
14 that the case be taken under advisement. Thank you.

15 HEARING EXAMINER BRANCARD: Thank you. Mr.
16 Rose-Coss?

17 TECHNICAL EXAMINER ROSE-COSS: No questions.

18 HEARING EXAMINER BRANCARD: Okay. So Ms. Hardy,
19 from looking through the exhibits, it appears that you have
20 one defining well that creates this unit as a standard unit;
21 correct?

22 MS. HARDY: That's correct.

23 HEARING EXAMINER BRANCARD: That's the 6H, I
24 think.

25 MS. HARDY: Correct.

1 HEARING EXAMINER BRANCARD: Okay. As a matter of
2 process, do you have any preference about how we handle
3 this, as amended orders, or one big new order replacing two
4 orders? I think the latter might be --

5 MS. HARDY: I agree. I think one order replacing
6 the two prior orders would be fine.

7 HEARING EXAMINER BRANCARD: Okay. So have any of
8 these wells been drilled?

9 MS. HARDY: They have not.

10 HEARING EXAMINER BRANCARD: Okay. So then you
11 will get a new one-year period.

12 MS. HARDY: That's true.

13 HEARING EXAMINER BRANCARD: Are there any other
14 interested persons for case 22324?

15 (No audible response.)

16 HEARING EXAMINER BRANCARD: Hearing none, the
17 exhibits will be admitted into the record and Case 22324
18 will be taken under advisement.

19 MS. HARDY: Thank you.

20 (Exhibits admitted.)

21 (Taken under advisement.)

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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 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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