

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: 21849, 21850,
22393, 22394

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

CASE NOS: 22161 - 22164

APPLICATIONS OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
February 3, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DYLAN ROSE-COSS on
Thursday, February 3, 2022, through the Webex Platform.

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

2 For Chisholm Energy, Oxy USA:

3 MICHAEL FELDEWERT
4 HOLLAND & HART
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6 Santa Fe, NM 87501

7 For Mewbourne:

8 JAMES BRUCE
9 P.O. Box 1056
10 Santa Fe, NM 87504-1056

11 For EOG:

12 JOBY RITTENHOUSE
13 BEATTY & WOZNIAK PC
14 500 Don Gaspar Avenue
15 Santa Fe, NM 87505

16 For Apache:

17 DEANA BENNETT
18 MODRALL SPERLING ROEHL HARRIS & SISK PA
19 500 4th Street, NW, Suite 1000
20 Albuquerque, NM 87102

21 For COG Operating:

22 OCEAN MUNDS-DRY
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19

20 I N D E X

21 CASES CALLED

22 STATUS CONFERENCE 03

23 REPORTER CERTIFICATE 09

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1 HEARING EXAMINER BRANCARD: We will start then
2 with status conferences. The first items on the agenda --
3 and, as always, the worksheet for today is posted on our
4 website under the tab "final worksheet."

5 The first eight items all should be one
6 consolidated status conference, and I will call Case Numbers
7 21849, 21850, 22393, 22394, 22161, 22162, 22163 and 22164,
8 and we will start with Chisholm Energy.

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

12 HEARING EXAMINER BRANCARD: Thank you, good
13 morning. Mewbourne Oil Company?

14 MR. BRUCE: Mr. Examiner, Jim Bruce representing
15 Mewbourne.

16 HEARING EXAMINER BRANCARD: Thank you, good
17 morning, Mr. Bruce. All right, EOG Resources?

18 MR. RITTENHOUSE: This is Joby Rittenhouse
19 appearing on behalf of EOG.

20 HEARING EXAMINER BRANCARD: Oxy USA Inc.?

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

24 HEARING EXAMINER BRANCARD: Thank you. Apache
25 Corporation?

1 MS. BENNETT: Good morning, Mr. Examiner, Deana
2 Bennett on behalf of Apache Corporation.

3 HEARING EXAMINER BRANCARD: Now, further down I
4 have got some cases, COG Operating.

5 MS. MUNDS-DRY: Good morning, Mr. Examiner.
6 Ocean Munds-Dry for COG Operating LLC.

7 HEARING EXAMINER BRANCARD: Are there any other
8 entries of appearances for Cases 21849, 50, 22393, 94,
9 22161, 62, 63, 64?

10 (No audible response.)

11 HEARING EXAMINER BRANCARD: Hearing none, I guess
12 we will start with you, Mr. Feldewert.

13 MR. FELDEWERT: Mr. Examiner, these competing
14 cases involve Chisholm's -- this case involves Sections 7
15 and 18 in 19 South, 33 East. Chisholm seeks to develop its
16 acreage with two-mile stand-up wells. Mewbourne has
17 competing -- it seems like we have some interference. Can
18 you hear me okay?

19 HEARING EXAMINER BRANCARD: There is a little bit
20 of scratchiness, but --

21 REPORTER: It sounds like there's a copy machine
22 going in the background.

23 HEARING EXAMINER BRANCARD: That's exactly what
24 it sounds like. Go ahead, Mr. Feldewert.

25 MR. FELDEWERT: So anyway, Mewbourne has

1 competing development plans. They seek to match up some
2 acreage they own with Section 18 where they do not have any
3 ownership. So that's what this case is all about. We had
4 intended to proceed to hearing today, but I believe it was
5 Apache's counsel that filed a motion that was unopposed by
6 the parties to vacate the prehearing order and continue the
7 matter so that they could conduct some additional analysis
8 of the competing proposed cases. So that's where we are.

9 HEARING EXAMINER BRANCARD: So in your estimation
10 we are headed for a hearing at this point; correct?

11 MR. FELDEWERT: Yes, Mr. Examiner, yes.

12 HEARING EXAMINER BRANCARD: Mr. Bruce, any
13 disagreement?

14 MR. BRUCE: Nope.

15 HEARING EXAMINER BRANCARD: All right. So I will
16 then look to Ms. Bennett.

17 MS. BENNETT: Thank you, Mr. Examiner. Yes, Mr.
18 Feldewert's recitation of what happened here is accurate.
19 It's my understanding that Apache was only recently provided
20 notices of Mewbourne cases even though Apache owns an
21 interest in some of the acreage, and so Apache had reached
22 out -- well, we had reached out on Apache's behalf to
23 request a continuance of time for Apache to review the
24 proposal letters.

25 And so I think we are looking at a hearing, as

1 you mentioned, and it would be Apache's preference to have
2 the hearing in a, in a couple of months depending upon the
3 hearing examiner's schedule and OCD's schedule.

4 HEARING EXAMINER BRANCARD: All right. Well, let
5 me go around the board here. Mr. Rittenhouse, any thoughts
6 on behalf of EOG?

7 MR. RITTENHOUSE: Nothing from EOG.

8 HEARING EXAMINER BRANCARD: Okay. Ms. Munds-Dry?

9 MS. MUNDS-DRY: No, sir, thank you.

10 HEARING EXAMINER BRANCARD: I guess, Mr.
11 Feldewert, I don't know if you had any separate thoughts on
12 that.

13 MR. FELDEWERT: I do not.

14 HEARING EXAMINER BRANCARD: Okay. So, Mr.
15 Feldewert, Mr. Bruce, Apache is offering to have a hearing,
16 but a few months out, which is really all we have in terms
17 of openings, anyway. So, concerns?

18 MR. BRUCE: No. I was told by Mewbourne, Mr.
19 Examiner, that whatever satisfied Apache was fine with them.

20 MR. FELDEWERT: And, Mr. Examiner, I, when we
21 received the request, I alerted Chisholm to the -- or the
22 state of the Division's docket, and so they recognized and
23 they agreed to the continuance that it may be, it may be set
24 in April, last time we spoke, April or May before we would
25 have a hearing, so we understand the position of the

1 Division.

2 HEARING EXAMINER BRANCARD: Well, that was last
3 month. This month Marlene warns me May 19 is our next open
4 docket.

5 MR. BRUCE: That's fine with me, Mr. Examiner.

6 HEARING EXAMINER BRANCARD: Thank you, Mr. Bruce.

7 MR. FELDEWERT: We will make that work, Mr.
8 Examiner.

9 HEARING EXAMINER BRANCARD: Apache?

10 MS. BENNETT: Thank you very much, Mr. Examiner.

11 HEARING EXAMINER BRANCARD: Any other concerns,
12 any other interested parties in Cases 21849, 21850, 22393,
13 294, 22161, 62, 63, 64?

14 (No audible response.)

15 HEARING EXAMINER BRANCARD: Hearing none, those
16 cases will be scheduled for a contested hearing on May 19.
17 We will draft a prehearing order or an amended prehearing
18 order and get it out to the parties. As always, please file
19 continuances.

20 MS. BENNETT: Mr. Examiner, one question about
21 that, Apache filed a motion for a continuance already, and
22 those were filed on January 25, but they don't appear in the
23 OCD file. Sorry about that.

24 (Internet connection lost with reporter. Summary of the
25 remainder of the case was provided as follows:)

1 HEARING EXAMINER BRANCARD: For the record, Cases
2 21849, 21850, 22393, 22394, 22161, 22162, 22163 and 22164 is
3 scheduled for a contested hearing on May 19, and the
4 Division will issue a prehearing order or an amended order.

5 Got that?

6 REPORTER: Got that.

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 bad quality, internet connection being lost.

17 Dated this 3rd day of February 2022.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-22

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