

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:

Application of Chevron Production  
Company and Cimarex Energy Company  
for compulsory pooling and approval  
of overlapping well units, Eddy  
County, New Mexico

Case Nos. 22375,  
22376, 22377, 22649,  
22650, 22651, 22652

TRANSCRIPT OF PROCEEDINGS

May 5, 2022

STATUS CONFERENCE

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq., Hearing Examiner, Dean McClure, Technical Examiner, on May 5, 2022 via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

REPORTED BY: SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC  
CCR No. 275  
PAUL BACA COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
(505) 843-9241

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A P P E A R A N C E S

For Chevron Production Company:

HOLLAND & HART, LLP  
P.O. Box 2208  
Santa Fe, NM 87504-2208  
(505) 988-4421  
mfeldewert@hollandhart.com

BY: MICHAEL H. FELDEWERT

For Cimarex Energy Company:

JAMES GARRETT BRUCE ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, NM 87504-1056  
(505) 982-2043  
jamesbruce@aol.com

BY: JAMES G. BRUCE

I N D E X

Cases called	3:1
Court Reporter's Certificate	8:1

1 (Time noted as 8:24 a.m.)

2 EXAMINER BRANCARD: Okay. With that, we can move  
3 on, then, to Items 11 through 17. These are cases 22375,  
4 22376, 22377, 22649, 22650, 22651, and 22652. Let us start  
5 with Chevron USA.

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

9 EXAMINER BRANCARD: Thank you. Cimarex Energy?

10 MR. BRUCE: Mr. Examiner, Jim Bruce representing  
11 Cimarex.

12 EXAMINER BRANCARD: Thank you. Are there any  
13 other interested persons for these cases; that's 22375,  
14 -376, -377, -649, -650, -651, -652? Hearing none.

15 So I -- last we had these cases, there were more of  
16 them, and I think four of them have been dropped, four  
17 Cimarex cases; is that correct?

18 MR. BRUCE: That is correct. They were superseded  
19 by the four that you see here today.

20 EXAMINER BRANCARD: Okay.

21 MR. BRUCE: -649, et cetera.

22 EXAMINER BRANCARD: All right. So where are we  
23 going with this, Mr. Bruce, since you're on the call right  
24 now?

25 MR. BRUCE: Well, I was hoping to get a fixed

1 hearing date.

2 EXAMINER BRANCARD: Okay.

3 MR. BRUCE: I've got to ask Mr. Feldewert is -- is  
4 or if and when Chevron will be doing new applications for  
5 overlapping well units.

6 EXAMINER BRANCARD: Mr. Feldewert, status of  
7 Chevron?

8 MR. FELDEWERT: We have -- we have sent out the  
9 revised development plans with new AFEs. Those went out  
10 towards the end of April. I -- and they included addressing  
11 the existing development and overlapping spacing units and  
12 the revised service and bottom hole locations for the -- for  
13 the revised development plan. So I have docketed for filing  
14 the pooling -- associated pooling applications and any other  
15 necessary relief associated with these applications for the  
16 July 7th docket. We will have them filed and present on  
17 that docket. And part of the reason for that, Mr. Brancard,  
18 is there's more than just Cimarex in terms of working  
19 interest owners, so there's other parties that needed to  
20 address the overlapping spacing unit issues, the change in  
21 the development plans, et cetera.

22 EXAMINER BRANCARD: Are we anticipating any other  
23 parties jumping in and filing their own applications?

24 MR. FELDEWERT: I can't speak for the other  
25 parties.

1 EXAMINER BRANCARD: Okay. Well, no one's jumping  
2 up here at this hearing, so --

3 MR. FELDEWERT: Correct. Correct.

4 EXAMINER BRANCARD: All right. So, Mr. Bruce,  
5 Mr. Feldewert has made an offer of July 7.

6 MR. BRUCE: Sounds fine to me. I think that's the  
7 earliest it could be held.

8 EXAMINER BRANCARD: I think that is correct. All  
9 right. So once again, any other interested parties for  
10 cases 22375, -376, -377, -649, -650, -651, -652?

11 MR. BRUCE: Mr. Examiner, I think Kyle Perkins for  
12 MRC Permian entered an appearance, but he's not taking --  
13 MRC is not taking an active role in these cases.

14 EXAMINER BRANCARD: Okay.

15 MR. FELDEWERT: Let me also add, Mr. Brancard, I  
16 need to check that July 7th date with Chevron to ensure that  
17 our witnesses are going to be available. I know there's  
18 been a change in some personnel there in terms of who's  
19 responsible for this area, so I do need to check that  
20 July 7th docket, but I can let you know quickly here.

21 EXAMINER BRANCARD: All right. Okay. And so --  
22 and we've gone around and around with White City and  
23 Southern Hills. I see Southern Hills is next up on the  
24 docket, Mr. Bruce, did you want all these cases on the same  
25 day or --

1           MR. BRUCE: Not necessarily, but I don't have any  
2 big objection to it.

3           EXAMINER BRANCARD: Okay.

4           MR. FELDEWERT: What I can offer, Mr. Brancard, is  
5 with the Southern Hills cases, which as you probably  
6 gleaned, involve different acreage. There is no competing  
7 development plan. Chevron may have some questions, but it  
8 is not a -- you know, a law -- competing case scenario, so I  
9 don't anticipate it taking very long. Like I said,  
10 Chevron's -- we've already had one hearing in Wolfcamp  
11 cases, as you know, we're waiting on the order there. I  
12 don't know to what extent -- Chevron is going to have, I  
13 know, some questions, but I would not anticipate very many  
14 that would take a substantial amount of time, so --

15           EXAMINER BRANCARD: Thank you for that  
16 information. All right. So tentatively, then, cases 22375,  
17 22376, 22377, 22649, 22650, 22651, and 22652 will be set for  
18 a contested hearing on July 7th. I will need to issue a new  
19 rehearing order, but I will delay a day or two while Chevron  
20 determines its availability for this date. The next date  
21 after that is July 21, so the parties can agree to that  
22 date, that would be fine, too.

23           MR. BRUCE: Yeah, I -- at this point I think that  
24 date for me is highly questionable because I have some  
25 family obligations on the 21, 22, 23 time frame.

1           EXAMINER BRANCARD: All right. So, Mr. Feldewert,  
2 the pressure's on for you to get July 7th nailed down. And  
3 then, Mr. Feldewert, when Chevron files new cases, please  
4 file some sort of motion to consolidate --

5           MR. FELDEWERT: Certainly.

6           EXAMINER BRANCARD: -- with these existing cases.  
7 All right. Thank you.

8           (Proceedings concluded at 8:31 a.m.)

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

3  
4  
5

6 REPORTER'S CERTIFICATE

7 I, SHANON R. MYERS, New Mexico Certified Court  
8 Reporter, CCR #275, do hereby certify that I reported the  
9 foregoing virtual proceedings in stenographic shorthand and  
10 that the foregoing pages are a true and correct transcript  
11 of those proceedings to the best of my ability.

12 I FURTHER CERTIFY that I am neither employed by  
13 nor related to any of the parties or attorneys in this case  
14 and that I have no interest in the final disposition of this  
15 case.

16 I FURTHER CERTIFY that the virtual proceeding was  
17 of extremely poor to good quality.

18 Dated this 2nd day of June 2022.

19  
20  
21  
22  
23  
24  
25

/s/ Shanon R. Myers

SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC  
License Expires: 12/31/22