

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:

ORIGINAL

APPLICATION OF RMR OPERATING,
LLC FOR A NONSTANDARD SPACING
AND PRORATION UNIT AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

CASE NO. 15248

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

December 18, 2014

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
GABRIEL WADE, LEGAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, and Gabriel Wade, Legal Examiner, on
Thursday, December 18, 2014, at the New Mexico Energy,
Minerals and Natural Resources Department, Wendell Chino
Building, 1220 South St. Francis Drive, Porter Hall,
Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 APPEARANCES

2 FOR APPLICANT RMR OPERATING, LLC:

3 JAMES G. BRUCE, ESQ.
 4 Post Office Box 1056
 5 Santa Fe, New Mexico 87504
 (505) 982-2043
 jamesbruc@aol.com

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15 EXHIBITS OFFERED AND ADMITTED

16 RMR Operating, LLC Exhibit Numbers 1 through 3	5
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1 (9:36 a.m.)

2 EXAMINER GOETZE: Next case, Case 15248,
3 application of RMR Operating, LLC for a nonstandard oil
4 spacing and proration unit and compulsory pooling, Lea
5 County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of
8 Santa Fe representing the Applicant. I'm submitting
9 this case by affidavit.

10 Mr. Examiner, these affidavits were
11 previously submitted to the Division. There are two
12 differences, but let me go through this.

13 Exhibit 1 is a verified statement of Robert
14 B. Wilson, a landman for RMR Operating, and Exhibit 2 is
15 a verified statement of Jack Bradley, a geologist for
16 RMR.

17 The only thing sought in this case,
18 Mr. Examiner -- well, besides the approval of a
19 nonstandard unit -- is to force pool record title owners
20 in a federal lease so that the BLM will approve a
21 communitization agreement for the well. The well has
22 already been drilled.

23 If you'll look at the statement of
24 Mr. Wilson, what is sought is an order approving a
25 234.75-acre nonstandard oil spacing and proration unit

1 in the Delaware Formation comprised of, essentially, the
2 west half-east half of Section 25 and the west
3 half-northeast quarter of Section 36, Township 26 South,
4 Range 34 East, to be dedicated to the Madera 25 Fed Com
5 Well #2H.

6 And if you'll turn back, you'll see a
7 sundry notice with the acreage dedication plat.
8 Although I'm calling this the west half-northeast
9 quarter of Section 36, Section 36 abuts the Texas state
10 line, so you could say it's also the west half-east half
11 of Section 36.

12 EXAMINER GOETZE: We had this discussion
13 already about plots and quarters.

14 MR. BRUCE: And the well is in the
15 Southwest Javelina-Brushy Canyon pool.

16 Attachment B to Mr. Wilson's affidavit is
17 simply the BLM serial register page. And if you'll turn
18 to the final couple pages, you'll see that the three
19 parties being pooled, Rachel Lyman, the C. V. Lyman
20 Estate and J. B. Appling, own record title interest, and
21 as stated in the affidavit, they own no working
22 interest, having assigned their working interest in the
23 well before they either died or disappeared from the
24 scene. They are unlocatable. And because this is
25 pooling only record title interest owners, no risk

1 charges or overhead charges are requested. And the only
2 offset operator to this well is RMR Operating itself.

3 This statement of Mr. Wilson has been
4 altered somewhat since the original was submitted only
5 to include the footages -- at the bottom of page 1 of
6 the affidavit, the footages of the producing interval
7 and then to state that the only offset operator is RMR.

8 Exhibit 3 is the Affidavit of Publication
9 in the Hobbs newspaper giving notice to the three record
10 title owners, since they do not have valid current
11 addresses.

12 And Exhibit 2 is the geologist's affidavit.
13 It contains the normal information usually submitted to
14 the Division, a structure map, a cross section, isopach
15 maps. And the geologist states that the nonstandard
16 unit is justified from a geologic standpoint, and each
17 quarter-quarter section will contribute to production.
18 And he also discusses that they are drilling stand-up
19 wells in this area because it is more perpendicular to
20 the orientation of the natural fractures.

21 And the horizontal well plan is attached.
22 Actually, there are two horizontal well plans from two
23 different companies, but they're attached for your
24 information to Exhibit 2.

25 And with that, I'd move the admission of

1 Exhibits 1 through 3 into the record.

2 EXAMINER GOETZE: Exhibits 1 through 3 are
3 so accepted.

4 (RMR Operating, LLC Exhibit Numbers 1
5 through 3 were offered and admitted into
6 evidence.)

7 EXAMINER GOETZE: Has Mr. Bradley appeared
8 before us?

9 MR. BRUCE: No, neither one, which is why I
10 have included their educational and employment
11 background statements.

12 EXAMINER GOETZE: Very good.

13 Any questions from you.

14 EXAMINER WADE: No questions.

15 EXAMINER GOETZE: I have no questions for
16 the affidavits.

17 MR. BRUCE: I have nothing further in this
18 matter.

19 EXAMINER GOETZE: Very good. Then Case
20 15248 is taken under advisement.

21 (Case Number 15248 concludes, 9:41 a.m.)

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____

_____, Examiner
Oil Conservation Division

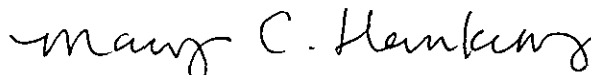
1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified
6 Court Reporter No. 20, and Registered Professional
7 Reporter, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that
9 the foregoing pages are a true and correct transcript of
10 those proceedings that were reduced to printed form by
11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's
13 Record of the proceedings truly and accurately reflects
14 the exhibits, if any, offered by the respective parties.

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

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20 

21 MARY C. HANKINS, CCR, RPR
22 Paul Baca Court Reporters, Inc.
23 New Mexico CCR No. 20
24 Date of CCR Expiration: 12/31/2015
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