

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 CHEVRON U.S.A.,
INC. TO AMEND ORDER R-13865 TO
COMPULSORY POOL ADDITIONAL
MINERAL INTERESTS IN THE
APPROVED SPACING AND PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 15160
(Reopened)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 20, 2014

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
GABRIEL WADE, LEGAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, William V. Jones,
Chief Examiner, and Gabriel Wade, Legal Examiner, on
Thursday, November 20, 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

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APPEARANCES

FOR APPLICANT CHEVRON U.S.A., INC.:

JORDAN KESSLER, ESQ.
HOLLAND & HART
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EXHIBITS OFFERED AND ADMITTED

Chevron U.S.A., Inc. Exhibit Numbers 8 and 9	4
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1 (10:24 a.m.)

2 EXAMINER JONES: Let's call Case 15160,
3 reopened, application of Chevron U.S.A., Incorporated to
4 amend Order R-13865 to compulsory pool additional
5 mineral interests in the approved spacing and proration
6 unit, Lea County, New Mexico.

7 Call for appearances.

8 MS. KESSLER: Good morning, Mr. Examiner.
9 Jordan Kessler, with the Santa Fe office of Holland &
10 Hart, for the Applicant.

11 EXAMINER JONES: Any other appearances?
12 Any witnesses?

13 MS. KESSLER: Not today, Mr. Examiner.

14 Mr. Examiner, this case along with the
15 Gramma 14-24-34 #1H well, which is Case 15167, were
16 originally heard by the Division on June 26th, 2014.
17 This particular case resulted in Order Number R-13865,
18 which I've handed you a courtesy copy of.

19 As you'll see by looking through the order,
20 that order created a 160-acre spacing and proration unit
21 comprised of the west half-west half of Section 14,
22 Township 24 South, Range 34 East in Lea County. It
23 pooled all the interests in the Bone Spring Formation,
24 in particular the North Red Hills Bone pool, and it was
25 dedicated to the Gramma 14-24-34 #2H well. This well

1 has not yet been drilled.

2 So I've marked two additional exhibits,
3 Numbers 8 and 9.

4 Exhibit 8 is an affidavit from
5 Mr. Cody Cole, and he is a landman with Chevron. It
6 reflects that we recently discovered that there were
7 additional mineral interests for the 2H well, just one
8 additional mineral interest owner, that we're asking to
9 pool under the terms of the original order.

10 Efforts were undertaken to locate this
11 mineral interest owner, but an address was not
12 locatable. So we published notice, and this is
13 reflected in Exhibit Number 9.

14 So we have a spacing unit that's been
15 created. It's been dedicated to the initial well, and
16 this has not changed. All that we're asking for today
17 is to pool an additional interest owner, which is
18 reflected in Exhibit 8, paragraph number five.

19 And I'd move for the admission of Exhibits
20 8 and 9.

21 EXAMINER JONES: Exhibits 8 and 9 are
22 admitted.

23 (Chevron U.S.A., Inc. Exhibit Numbers 8 and
24 9 were offered and admitted into evidence.)

25 MS. KESSLER: And I'd also ask that this

1 case be taken under advisement.

2 EXAMINER JONES: Case 15160, reopened, will
3 be taken under advisement. Thank you.

4 (Case Number 15160 concludes, 10:26 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

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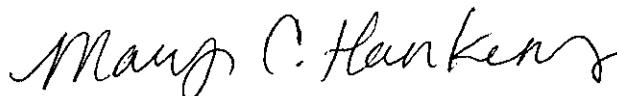
4 CERTIFICATE OF COURT REPORTER

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.

19



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MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters, Inc.
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2014

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