

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

CASE 15335  
(Re-opened)

APPLICATION OF ENCANA OIL & GAS (USA) INC.  
TO AMEND ORDER R-13931 TO EXPAND THE BLANCO  
WASH FEDERAL/ALLOTTED INDIAN/FEE EXPLORATORY  
UNIT AND THE CORRESPONDING BLANCO WASH UNIT  
Hz OIL POOL, SAN JUAN COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JUNE 25, 2015

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
SCOTT DAWSON, EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

RECEIVED  
2015 JUL 14 P

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Michael McMILLAN,  
Chief Examiner, Scott Dawson, Examiner, and Gabriel  
Wade, Legal Examiner, on June 25, 2015, 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: ELLEN H. ALLANIC  
NEW MEXICO CCR 100  
CALIFORNIA CSR 8670  
PAUL BACA COURT REPORTERS  
500 Fourth Street, NW  
Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

For the Applicant

Michael H. Feldewert, Esq.  
Holland & Hart  
110 North Guadalupe  
Suite 1  
Santa Fe, New Mexico 87501  
(505)983-6043  
mfelderwert@hollandhart.com

ALSO PRESENT: Adrienne B. Wood  
Adelena Wood  
Rena Nez

I N D E X

CASE NUMBER 15335 (Re-Opened) CALLED

ENCANA OIL & GAS (USA) INC. CASE-IN-CHIEF:

WITNESS ERIK GRAVEN (cont'd)

EXAMINATION

Examiner Dawson

3

Reporter's Certificate

PAGE

6

1 (Time noted 3:42 p.m.)

2 EXAMINER McMILLAN: Now we will go onto a  
3 new case -- this case is reopened, case 15335 is totally  
4 reopened, the case of Encana to Amend Order R-13931 to  
5 expand the Blanco Wash Federal/Allotted Indian/Fee  
6 Exploratory Unit and corresponding Blanco Wash Unit Hz  
7 Oil Pool, San Juan County, New Mexico.

8 Call for appearances.

9 MR. FELDEWERT: Michael Feldewert with the  
10 Santa Fe Office of Holland and Hart appearing on behalf  
11 of the applicant.

12 EXAMINER DAWSON: I'm sorry to reopen the  
13 case. I just had a couple of questions that I wanted to  
14 ask you.

15 MR. FELDEWERT: Certainly, and the witness  
16 has already been sworn.

17 EXAMINATION OF ERIK GRAVEN

18 BY EXAMINER DAWSON

19 EXAMINER DAWSON: Ms. Binion told me that  
20 the well that was in the south half of section 16 was  
21 deemed non-commercial by the BLM, the AO, and the land  
22 office.

23 THE WITNESS: Yes.

24 EXAMINER DAWSON: And they are going to  
25 produce that well on a lease basis.

1 THE WITNESS: (Nodding.)

2 EXAMINER DAWSON: So they're going to cut a  
3 window within the unit, right? I mean is it going to  
4 have a window in the unit that's not going to be a  
5 unitized well?

6 THE WITNESS: It is my understanding that we  
7 won't have a window in the unit, but production from  
8 that well will not be assigned to the unit.

9 EXAMINER DAWSON: Okay.

10 MR. FELDEWERT: I think if you look at the  
11 second entry clause on Exhibit Number 3, it explains  
12 what's happening.

13 EXAMINER DAWSON: Okay.

14 MR. FELDEWERT: And as I read it, it's just  
15 a well specific exclusion.

16 EXAMINER McMILLAN: What page are you on?

17 MR. FELDEWERT: I am on the first page of  
18 Exhibit 3, the second clause that begins, This agreement  
19 is limited in applicability. If you would go halfway  
20 down, you will see that it references a horizontal well  
21 known as the Escrito P-162409 1H and provides the API  
22 number.

23 EXAMINER DAWSON: Thank you for that  
24 clarification. I didn't have time to read this before  
25 the meeting -- that part of it. Thank you. That's all

1 the questions I have.

2 EXAMINER McMILLAN: I have no further  
3 questions. Now this case can finally be taken under  
4 advisement.

5

6

7

(Time noted 3:46 p.m.)

8

9

10

11

12

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 \_\_\_\_\_.

14

15

\_\_\_\_\_, Examiner  
Oil Conservation Division

16

17

18

19

20

21

22

23

24

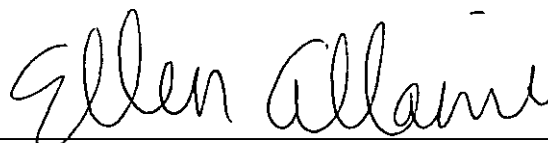
25

1 STATE OF NEW MEXICO )  
2 ) ss.  
3 COUNTY OF BERNALILLO )  
4  
5  
6

7 REPORTER'S CERTIFICATE

8  
9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR  
10 No. 100, DO HEREBY CERTIFY that on Thursday, June 25,  
11 2015, the proceedings in the above-captioned matter were  
12 taken before me, that I did report in stenographic  
13 shorthand the proceedings set forth herein, and the  
14 foregoing pages are a true and correct transcription to  
15 the best of my ability and control.

16  
17 I FURTHER CERTIFY that I am neither employed by  
18 nor related to nor contracted with (unless excepted by  
19 the rules) any of the parties or attorneys in this case,  
20 and that I have no interest whatsoever in the final  
21 disposition of this case in any court.

22  
23  
24  
25  


ELLEN H. ALLANIC, CSR  
NM Certified Court Reporter No. 100  
License Expires: 12/31/15