

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: 20875

APPLICATION OF XTO ENERGY INC.
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 14, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, KATHLEEN MURPHY, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, November 14, 2019, 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: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

MICHAEL FELDEWERT
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

I N D E X

CASE NO. 20875 CALLED	
BRETT WOODY (By Affidavit)	03
ANISA AHMADZI (By Affidavit)	04
TAKEN UNDER ADVISEMENT:	05

E X H I B I T I N D E X

	Admitted
Exhibit A and Attachments	04
Exhibit B and Attachments	04
Exhibit C	04

1 HEARING EXAMINER LOWE: We will call Case Number
2 20875, XTO for compulsory pooling. Call for appearance.

3 MR. FELDEWERT: May it please the Examiner,
4 Michael Feldewert of the Santa Fe Office of Holland & Hart
5 on behalf of the applicant.

6 HEARING EXAMINER LOWE: Thank you. You may
7 proceed.

8 MR. FELDEWERT: Mr. Examiner, we are presenting
9 this case by affidavit. And Exhibit A is the affidavit of
10 Mr. Brett Woody, and he references the spacing unit that is
11 depicted on Exhibit B-2. And what it involves is what is
12 the S/2 of the N/2 equivalent of irregular Section 32 down
13 there along the state line with the Texas.

14 And so they are seeking to create what is a
15 standard horizontal well spacing unit comprised of the four
16 lots that make up this irregular S/2 of the N/2 equivalent.
17 It will be dedicated to a single well, which is the C-102
18 which is provided under Exhibit 1 to Mr. Woody's affidavit.

19 The only party that they seek to pool is WPX
20 Energy Permian, who has lodged no objection to this pooling
21 application. And the well proposal letter that was sent to
22 them is marked as Exhibit Number 3 to his affidavit.

23 And you will see from that letter that they are
24 requesting overhead rates of 7,500 per month while drilling
25 and 750 per month while producing. And there are no depth

1 severances in the Bone Spring Formation under this page.

2 Exhibit B is the affidavit of the geologist. She
3 has provided a structure map as Tab 1 to her exhibit, which
4 not only shows a structure in this area, but also the well
5 that she -- the four wells that she utilized for a cross
6 section.

7 And you will see the wellbore in the proposed
8 spacing unit kind of in the middle of that, of that exhibit
9 down there towards the bottom of Section 32, that straight
10 line that you see there at the bottom of Section 32.

11 The stratigraphic cross section then is provided
12 as Tab 2 to her affidavit, and she identifies the Second
13 Bone Spring as the target interval, has that shaded across
14 the stratigraphic cross section under Tab 2.

15 She then provides the testimony that it's
16 necessary to approve this application from a geologic
17 perspective.

18 Exhibit C is our affidavit confirming that notice
19 of this hearing was provided to WPX and it reflects that WPX
20 did receive actual notice of this hearing.

21 So with that we ask that Exhibits A, B and C be
22 admitted into the record in this matter.

23 HEARING EXAMINER LOWE: Exhibits A, B and C will
24 be admitted for the case.

25 (Exhibits A, B and C admitted.)

1 MR. FELDEWERT: We ask this case be taken under
2 advisement.

3 HEARING EXAMINER LOWE: Any questions? Kathleen?

4 EXAMINER MURPHY: Is WPX is the only person you
5 are pooling or are there other?

6 MR. FELDEWERT: Yes.

7 HEARING EXAMINER LOWE: Okay. Mr. Goetze?

8 EXAMINER GOETZE: So the witness for geology has
9 not been here before?

10 MR. FELDEWERT: Thank you for pointing that out.
11 She has not. She provides her -- I forgot about that. She
12 does provide in Paragraph 2 her credentials qualifying her
13 as an expert in petroleum geology.

14 EXAMINER GOETZE: No further questions.

15 HEARING EXAMINER LOWE: I have no questions at
16 this time. Case Number 20875 will be taken under
17 advisement.

18 MR. FELDEWERT: Thank you.

19 HEARING EXAMINER LOWE: Thank you.

20 (Case 20875 taken under advisement.)

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1 STATE OF NEW MEXICO)
)SS
2 COUNTY OF SANTA FE)

3 I, IRENE DELGADO, certify that I reported the
4 proceedings in the above-transcribed pages, that pages
5 numbered 1 through 5 are a true and correct transcript of my
6 stenographic notes and were reduced to typewritten
7 transcript through Computer-Aided Transcription, and that on
8 the date I reported these proceedings I was a New Mexico
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 14th day of
11 November 2019.

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Irene Delgado, NMCCR 253
Expires: 12-31-19