

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: 21257, 21258

APPLICATION OF SPC RESOURCES LLC  
TO POOL ADDITIONAL INTEREST OWNERS  
UNDER THE TERMS OF ORDER R-21104,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

May 14, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, BAYLEN LAMKIN, DYLAN COSS and SCOTT COX on Thursday, May 14, 2020, 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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505-843-9241

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A P P E A R A N C E S

For the Applicant:

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

For McDonald's and Mewbourne:

JAMES BRUCE  
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I N D E X

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

	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER ORTH: Let's move to matters  
2 21257 and 21258, applicant SPC Resources. These  
3 applications seek amendments to orders. The wells are  
4 Barney 5-6. Is there someone from Holland & Hart on behalf  
5 of the applicant? Is that you, Ms. Luck?

6 MS. LUCK: That's correct. Good morning, Madam  
7 Examiner. Kaitlyn Luck with the Santa Fe office of Holland  
8 & Hart on behalf of the applicant, SPC Resources LLC.

9 HEARING EXAMINER ORTH: Thank you. And do we  
10 have Mr. Bruce here on behalf of McDonald's and Mewbourne?

11 MR. BRUCE: Yes, I'm here. And I do not object  
12 to the case being presented by affidavit.

13 HEARING EXAMINER ORTH: Okay. Thank you very  
14 much. Let me pause to ask if there is anyone else who would  
15 like to enter an appearance this morning in these matters.

16 (No audible response.)

17 HEARING EXAMINER ORTH: All right. Please go  
18 ahead.

19 Wait. We need to mute someone. Please mute  
20 yourselves if you are not speaking.

21 All right. Please go ahead, Ms. Luck?

22 MS. LUCK: Thank you. In these two cases SPC  
23 Resources has requested to consolidate Case Numbers 21257  
24 and 21258 for purposes of hearing. SPC Resources submitted  
25 the exhibits to the Division on Tuesday in advance of the

1 hearing.

2           So in the exhibit packet, first SPC would like to  
3 provide copies of the application, and then after that as  
4 Exhibit B is the affidavit of Colleen Bradley, who is the  
5 landman in this case, and her affidavit explains that both  
6 of these cases were originally presented to the Division  
7 with November 19, 2020, and orders were entered in both  
8 cases.

9           So Order Number 21104 was entered on February 13,  
10 and (inaudible) Case 20860 which is now 21257, and it  
11 created a 473.59 acre horizontal spacing unit in the SW/4 of  
12 Section 5, in Lot 6 and 7, the E/2 of the SW/4 and the SE/4  
13 of Section 6, Township 22 South, Range 27 East, Eddy County,  
14 New Mexico.

15           And the third order for all of interest in the  
16 Bone Spring formation and that (inaudible) unit two wells,  
17 the Barney 5-6 B3 3H well and B3 4H well. Following entry  
18 of this order, SPC determined there are additional interests  
19 to be pooled, and so SPC Resources brings this case, as well  
20 as 21258 to pool the additional interest owners within the  
21 unit within the same pooling orders.

22           Moving on to 21258, the Division Order 21123 was  
23 entered in that case on February 17, 2020, and it pooled the  
24 same acreage, but in the Wolfcamp formation. So this  
25 involves Sections 5 and 6 of Township 28 South, Range 27

1 East in Eddy County, and the unit was dedicated to the  
2 Barney 5-6 WCXY 4H well and the Barney 5-6 WCD 4H well.

3 This same circumstances apply in case 21258 that  
4 after the entry of Order 21123, SPC determined additional  
5 interests are required for pooling, and so (inaudible) under  
6 the terms of these orders. Everything else about the  
7 existing orders will remain the same, and SPC Resources  
8 properly provided notice of this hearing to the mineral  
9 interests to be pooled.

10 And as Exhibit C-6 and C-7 are the tracking  
11 information with notice of hearing letters, as well as an  
12 example copy of the notice of hearing.

13 And then SPC Exhibit D-8 is an affidavit of  
14 publication reflecting that notice of this hearing was also  
15 timely provided by publication in Lea County where the wells  
16 are located.

17 And with that I would I move the admission of  
18 Exhibits A, B, C and their corresponding attachments.

19 HEARING EXAMINER ORTH: All right. Thank you.  
20 Mr. Bruce, do you have questions of Ms. Luck?

21 MR. BRUCE: No, I do not. Thank you.

22 HEARING EXAMINER ORTH: You do not, All right.  
23 Mr. Lamkin, do you have questions of Ms. Luck?

24 EXAMINER LAMKIN: No, ma'am, I do not.

25 HEARING EXAMINER ORTH: All right. Or Mr. Cox,

1 questions?

2 EXAMINER COX: No, ma'am. Thank you.

3 HEARING EXAMINER ORTH: All right. Thank you,  
4 Ms. Luck. The exhibits are accepted and the matters will be  
5 taken under advisement.

6 MS. LUCK: Thank you.

7 (Exhibits admitted.)

8 (Taken under advisement.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings that were reduced to printed form by me to the  
11 best of my ability.

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

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

19 Dated this 14th day of May 2020.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-20

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