

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: 21477, 21478

APPLICATION OF RIDGE RUNNER  
RESOURCES OPERATING LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 19, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
FELICIA ORTH and TECHNICAL EXAMINERS JOHN GARCIA and DYLAN  
COSS on Thursday, November 19, 2020, via Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

1 A P P E A R A N C E S

2 For the Applicant:

3 DANA HARDY  
 4 HINKLE SHANOR LLP  
 5 P.O. Box 0268  
 6 Santa Fe, NM 87504  
 7 505-982-4554

8 For XTO:

9 KAITLYN LUCK  
 10 HOLLAND & HART  
 11 110 North Guadalupe, Suite 1  
 12 Santa Fe, NM 87501  
 13 505-954-7286

14 I N D E X

15 CASE CALLED

16 SUMMARY OF CASE AND EXHIBITS 03

17 TAKEN UNDER ADVISEMENT 07

18 REPORTER CERTIFICATE 08

19

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

21 Admitted

22 All Exhibits and Attachments 07

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1                   HEARING EXAMINER ORTH: Let's start with cases  
2   21477 and 21478. The applicant is Ridge Runner Resources.  
3   These are compulsory pooling applications. The well name is  
4   Thunderbird. Ms. Hardy, are you here from Hinkle Shanor for  
5   the applicant?

6                   MS. HARDY: Yes, Madam Examiner. Dana Hardy on  
7   behalf of Ridge Runner Resources Operating LLC.

8                   HEARING EXAMINER ORTH: Good morning. We have an  
9   appearances from XTO Energy. Who here is from Holland &  
10   Hart for XTO?

11                  MS. LUCK: (Inaudible.)

12                  HEARING EXAMINER ORTH: Ms. Luck, if you are  
13   speaking you are muted.

14                  MS. LUCK: Good morning, Madam Examiner. Kaitlyn  
15   Luck from Holland & Hart on behalf of XTO.

16                  HEARING EXAMINER ORTH: Good morning. Let me  
17   pause for a moment to see if there are any other  
18   appearances.

19                  (No audible response.)

20                  HEARING EXAMINER ORTH: Hearing none, Ms. Luck,  
21   do I understand that you would not object to these cases  
22   being presented by affidavit?

23                  MS. LUCK: That's correct. There is no objection  
24   from XTO as to representing by affidavit at this hearing.  
25   XTO is entering an appearance to preserve its rights to an

1 appeal.

2 HEARING EXAMINER ORTH: Thank you very much. Ms.  
3 Hardy, if you would.

4 MS. HARDY: Thank you. In Case 21477, Ridge  
5 Runner seeks an order pooling all uncommitted mineral  
6 interests in the Bone Spring formation in a standard  
7 proximity tract, 480 acre horizontal spacing unit, comprised  
8 of the SW/4 of Section 3 and the W/2 of Section 10, Township  
9 20 South, Range 35 East, in Lea County.

10 And Ridge Runner proposes to dedicate the spacing  
11 unit to three wells, and the Thunderbird 3-10 Fed Com B  
12 Number 2H is the proximity tract defining well located  
13 within 330 feet of the quarter-quarter section line.

14 And in Case 21478, Ridge Runner seeks an order  
15 pooling uncommitted mineral interests in the Wolfcamp  
16 formation in a standard proximity tract 480 acre horizontal  
17 spacing unit that is also comprised of the SW/4 of Section 3  
18 and the W/2 of Section 10, Township 20 South, Range 35 East  
19 in Lea County.

20 Ridge Runner proposes to dedicate the spacing  
21 unit to two wells, and the 2H is the proximity tract  
22 defining well in this case and it's located within 330 feet  
23 of the quarter-quarter section line.

24 The exhibits we have provided include the  
25 affidavit of landman Bob Shelton and geologist Michael

1     Burke. Mr. Shelton's exhibits include the standard land  
2     information, the ownership information including the plat,  
3     the tract ownership and the pooled parties, it's all  
4     included in Exhibit A-3 in both cases.

5             And we have provided the notice information.  
6     Notice was timely sent to the pooled parties by certified  
7     mail more than 20 days prior to the hearing. And we did not  
8     have any unlocatable interests, but also published notice  
9     out of an abundance of caution, and the affidavit of  
10    publication is included in Exhibit A-10 for both cases.

11            Mr. Burke's exhibits include the standard geology  
12    exhibits, a location cross section map, a gunbarrel  
13    schematic, a structure map, a gross interval isopach map and  
14    a cross section, and those are provided for both of the  
15    cases.

16            And I do have one request in these cases that may  
17    be a little bit unusual. There has been an issue in delay  
18    of the BLM's lease for this acreage, and they are expecting  
19    to issue the lease by the end of this year, so it would be  
20    issued by January 1 of 2021. Ridge Runner acquired the  
21    least last February, there has just been a delay by the BLM  
22    in issuing it.

23            So if possible, I'm actually requesting if we  
24    could -- whether the Commission might be able to delay  
25    issuing an order until we provide confirmation that that

1 lease has been issued. So that's my only unusual request in  
2 these cases.

3 And I have spoken with Ms. Luck and I don't  
4 believe she objects to that request, but she can weight in  
5 on that.

6 So with that, unless there are any questions, I  
7 would request that the cases -- that the exhibits be  
8 admitted into the record and that the cases be taken under  
9 advisement. Thank you.

10 HEARING EXAMINER ORTH: Thank you, Ms. Hardy.  
11 Ms. Luck, do you have any questions of Ms. Hardy?

12 MS. LUCK: No questions and no objection.

13 HEARING EXAMINER ORTH: Thank you. Mr. Garcia,  
14 do you have any questions of Ms. Hardy?

15 TECHNICAL EXAMINER GARCIA: I have one question.  
16 Will the OCD be notified when the BLM finishes their lease  
17 process?

18 MS. HARDY: We would provide notice to the OCD.  
19 We can file something in the record and let you all know, if  
20 that's acceptable.

21 TECHNICAL EXAMINER GARCIA: It is to me.  
22 Felicia, does that work?

23 HEARING EXAMINER ORTH: It does, thank you.

24 MS. HARDY: Thank you.

25 HEARING EXAMINER ORTH: All right. So thank you

1 both, and Ms. Hardy, the exhibits are admitted and the  
2 matter will be taken under advisement.

3 (Exhibits admitted.)

4 (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 virtual proceedings in stenographic shorthand and  
9 that the foregoing pages are a true and correct transcript  
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by  
12 nor related to any of the parties or attorneys in this case  
13 and that I have no interest in the final disposition of this  
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of poor to good quality.

17 Dated this 19th day of November 2020.

18

/s/ Irene Delgado

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

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