

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: 21856 - 21859

APPLICATION OF EOG RESOURCES LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MAY 6, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER LEONARD LOWE on
Thursday, MAY 6, 2021, through the 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

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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

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS

TAKEN UNDER ADVISEMENT 07

REPORTER CERTIFICATE 08

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

Admitted

Exhibits and Attachments 07

1 HEARING EXAMINER BRANCARD: Where are we? I see
2 Item Number 22, I believe, and 23, 24, 25, Cases 21856,
3 21857, 21858, 21859, EOG Resources, Holyfield Wells, Holland
4 & Hart.

5 MS. LUCK: Kaitlyn Luck with the Santa Fe office
6 of Holland & Hart on behalf of the applicant in these cases,
7 EOG Resources Inc.

8 HEARING EXAMINER BRANCARD: Thank you. Are there
9 any other entries of appearances for these four cases?

10 (No audible response.)

11 HEARING EXAMINER BRANCARD: Hearing none. Ms.
12 Luck, you may proceed. I assume you are okay with doing all
13 four of these cases together.

14 MS. LUCK: We request that they be consolidated
15 for hearing.

16 HEARING EXAMINER BRANCARD: Thank you. Please
17 proceed.

18 MS. LUCK: Thank you. These four cases were
19 filed for this hearing, and we had understood there would be
20 no objection to the cases proceeding by affidavit, and so on
21 Tuesday EOG filed its exhibit into the record for these four
22 cases.

23 The exhibit packet starts off with EOG Exhibit A,
24 which are the checklists for each of the four cases,
25 followed by Exhibit B which are copies of the applications.

1 Next is EOG Exhibit C which is the affidavit of
2 Laci Stretcher who is the landman for EOG on this project.
3 Her affidavit explains that she has testified before the
4 Division before, and she is familiar with these lands. She
5 provides her Exhibit C-1 a location map which --

6 (Audio interference.)

7 MS. SALVIDREZ: Everyone, this is Marlene, and if
8 you are not speaking, please mute yourself.

9 MS. LUCK: EOG Exhibit C-1 shows the unit in
10 relation to the surrounding area in Lea County. The acreage
11 is comprised of those federal and fee lands.

12 In Case Numbers 21856 and 858, EOG is pooling all
13 uncommitted interest in the E/2 of Section 4 and 9, in
14 Township 25 South, Range 34 East. So these two cases are
15 the E/2 acreage in which EOG is pooling the Bone Spring and
16 the Wolfcamp formations.

17 In case 21856 EOG is pooling the Bone Spring, and
18 in that case EOG is seeking to dedicate the spacing unit to
19 the Holyfield 9 Fed Com 303, 304, 305H wells.

20 And then in 21858, EOG is pooling the Wolfcamp
21 formation and dedicating the unit to the Holyfield 9 Fed Com
22 701, 702, 706 and 707H wells.

23 Exhibit C-2 are the C-102s for each of the wells
24 that provide the (unclear) for both the Bone Spring and
25 Wolfcamp formation in the E/2 of each section, and also

1 reflects the spacing units are enlarged by a proximity tract
2 well, and so both of those are noted in Ms. Stretcher's
3 affidavit.

4 Next EOG C-3 is outlining the units being pooled
5 in E/2 acreage and EOG identifies those uncommitted working
6 interest in the E/2.

7 Exhibit C-4 is the well proposal letter for these
8 wells and also includes a copy of the AFE.

9 Moving on to cases 21857 and 21859, this is the
10 W/2 acreage. So in these two cases EOG is seeking to pool
11 the W/2 of Sections 4 and 9 in Township 25 South, Range 34
12 East.

13 And these two cases start off with the Bone
14 Spring, so 21857 is the Bone Spring formation for the W/2
15 acreage, and that will be dedicated to the Holyfield 9 Fed
16 Com 308 through 311H wells.

17 And then the case Number 21859 is the Wolfcamp
18 formation unit, and it will be dedicated to the 708, 709,
19 710, and 711 acreage.

20 Moving on, EOG Exhibit 5 are C-102s for each of
21 the wells included in the W/2 as well as the pool codes for
22 those wells. Again, EOG has created a large spacing unit
23 with proximity tract wells and Ms. Stretcher notes in her
24 affidavit the wells are (unclear) spacing units.

25 There is no depth severance underlying this

1 acreage, and Ms. Stretcher also provides as Exhibit C-6 the
2 tract and unit recap for the W/2 acreage.

3 Her Exhibit C-7 is the well proposal letters as
4 well as the AFEs sent to the interest owners to be pooled in
5 these cases.

6 Finally her Exhibit C-8 is a chronology of her
7 contacts with the working interest owners that EOG seeks to
8 pool and she provides EOG has made good faith efforts to
9 reach voluntary agreement with each of the parties.

10 Moving on, EOG Exhibit D is the affidavit of
11 Terra George who is EOG's geologist in these cases. She
12 provides both her geologic analysis of the Wolfcamp and Bone
13 Spring formations in Sections 4 and 9.

14 Starting off with her Exhibit D-1, that is subsea
15 structure map for the First Bone Spring formation. She also
16 used that map to draw a line of cross section for the wells
17 used to create her stratigraphic cross section which is
18 included in Exhibit D-2.

19 And then her Exhibit D-3 is the structure map for
20 the Upper Wolfcamp formation that's being targeted with
21 these cases, and she also provides a line of cross section
22 across that map as well for her stratigraphic of the
23 Wolfcamp provided as Exhibit D-4.

24 Next Exhibit E is the notice affidavit just
25 reflecting that our office provided timely notice of this

1 hearing to each of the interest owners to be pooled in these
2 four cases. And out of an abundance of caution, our office
3 also published notice in the newspaper in Lea County
4 directed to each of the interest owners by name that EOG
5 seeks to pool.

6 So with that I would move the admission of
7 exhibits A through F and request that all four of these
8 cases be taken under advisement.

9 HEARING EXAMINER BRANCARD: Thank you. Mr. Lowe,
10 any questions?

11 TECHNICAL EXAMINER LOWE: No, I have no
12 questions. Thank you.

13 HEARING EXAMINER BRANCARD: Thank you. Once
14 again, any other interested parties in Cases 21856, 57, 58,
15 59?

16 (No audible response.)

17 HEARING EXAMINER BRANCARD: Hearing no other
18 interests, the exhibits are admitted into the record, and
19 Cases 21856, 21857, 21858 and 21859 are taken under
20 advisement. Thank you.

21 MS. LUCK: Thank you.

22 (Exhibits admitted.)

23 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

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

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

16 Dated this 6th day of May 2021.

17

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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