

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: 21670

APPLICATION OF EOG RESOURCES INC.
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
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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 Cimarex:

SHARON SHAHEEN
MONTGOMERY & ANDREWS
325 Paseo de Peralta
Santa Fe, NM 87501

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	08

1 HEARING EXAMINER BRANCARD: With that I will call
2 Case 21670, eOG Resources.

3 MS. LUCK: Good morning, Kaitlyn Luck with the
4 Santa Fe office of Holland & Hart on behalf of the applicant
5 in this case, EOG Resources Inc.

6 HEARING EXAMINER BRANCARD: Thank you. And I
7 believe we have an entry of appearance from Cimarex?

8 MS. SHAHEEN: That is correct, Mr. Examiner.
9 Sharon Shaheen on behalf of Cimarex.

10 HEARING EXAMINER BRANCARD: Okay. Are there any
11 other interested parties in case 21670?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Hearing none. Ms.
14 Luck, can we do this by affidavit?

15 MS. LUCK: I believe so. And I will defer to Ms.
16 Shaheen to speak on behalf of Cimarex, but at this point the
17 parties have reached an agreement and EOG is only proceeding
18 with pooling overrides at this time.

19 MS. SHAHEEN: That's my understanding as well,
20 that the parties have signed a JOA and Ms. Luck agrees with
21 that understanding, then Cimarex has no objection to this
22 proceeding by affidavit.

23 MS. LUCK: That's correct. EOG has filed its
24 exhibits on Tuesday showing we are only pooling overrides,
25 so I agree with Ms. Shaheen.

1 HEARING EXAMINER BRANCARD: Okay. Please proceed
2 then with these case -- this case, 21670.

3 MS. LUCK: Thank you. EOG filed an amended
4 exhibit packet on Tuesday, and included in that packet was
5 simply just an amended Exhibit C, as well as Exhibit C-2.
6 So I will reference the original exhibits that were filed
7 for the March 18, 2021 hearing because all of those exhibits
8 stand, aside from the noted Exhibit C and C-2 which were
9 filed to replace the original ones.

10 In the exhibit packet it starts off with the copy
11 of the application checklist for this case. Exhibit B is
12 the application for this case. And then Exhibit C is the
13 amended affidavit of Laci Stretcher. As mentioned, she has
14 testified before the Division before, and she is the landman
15 with EOG familiar with this acreage.

16 In this case EOG is seeking an order pooling all
17 interest in the Bone Spring Formation underlying a standard
18 320 acre spacing unit in the W/2 of Section 21, Township 24
19 South, Range 34 East, and this is all in Lea County.

20 EOG is dedicating this unit to the Galleon 21 Fed
21 301, 302 and 303H wells. Each of the API numbers for the
22 wells are noted in Ms. Stretcher's affidavit, and she
23 provided copies of the C-102s for the wells as Exhibit C-1.
24 Her affidavit reflects the pool code and the Bone Spring
25 where these wells are located.

1 She also notes the 302H well is going to remain
2 within 330 feet of the quarter-quarter line to allow EOG to
3 pool in the additional acreage into the spacing unit.

4 There is no depth severances underlying the
5 spacing unit in the Bone Spring Formation, and Ms. Stretcher
6 has also provided an amended C-2 which reflects the tracts
7 included in the spacing unit as well as the interests within
8 the spacing unit.

9 Her amended affidavit reflects that EOG is only
10 seeking to pool overriding royal interest owners at this
11 time and has reached a voluntary agreement with each of the
12 interest owners.

13 And then finally her affidavit also notes that
14 EOG is seeking to drill these wells as soon as possible, so
15 EOG would just request that this order be expedited at this
16 point.

17 Moving on, EOG's Exhibit D is the affidavit of
18 Ms. Terra George. she again is the geologist for EOG, and
19 she has conducted a geologic study of the Bone Spring
20 Formation underlying this acreage. Her affidavit includes a
21 project locator map as Exhibit D-1, followed by a subsea
22 structure map as Exhibit D-2. That exhibit also reflects
23 the line of cross section which is provided on her
24 stratigraphic cross section as Exhibit D-3.

25 In her opinion this acreage is appropriate for

1 horizontal well development, and she has provided her
2 opinions in her affidavit. Finally Exhibits E and F are the
3 notice information for this case reflecting that our office
4 provided timely notice of the hearing to each of the
5 interest owners to be pooled.

6 And so with that, I would move the admission of
7 Exhibits A through F and request that this case, EOG 21670
8 be taken under advisement.

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

11 TECHNICAL EXAMINER LOWE: One question. When
12 were these exhibits submitted?

13 MS. LUCK: The original were submitted on March
14 18 -- so that would have been March 16, I think.

15 TECHNICAL EXAMINER LOWE: Yeah.

16 MS. LUCK: They were filed on March 16.

17 TECHNICAL EXAMINER LOWE: Okay, thank you. No
18 questions.

19 HEARING EXAMINER BRANCARD: Are there any, once
20 again, any other interested parties in Case 21670?

21 (No audible response.)

22 HEARING EXAMINER BRANCARD: Hearing nothing, are
23 you complete, Ms. Luck, with this case?

24 MS. LUCK: I'm complete.

25 HEARING EXAMINER BRANCARD: Thank you. So the

1 exhibits are admitted and Case 21670 is taken under
2 advisement.

3 MS. LUCK: Thank you.

4 HEARING EXAMINER BRANCARD: Thank you.

5 (Exhibits admitted.)

6 (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.

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/s/ Irene Delgado

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

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