

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:

APPLICATION OF CENTENNIAL RESOURCE CASE NOS. 16265,
PRODUCTION, LLC FOR A NONSTANDARD 16266
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 9, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
 LEONARD LOWE, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Scott Dawson,
Chief Examiner, Leonard Lowe, Technical Examiner, and
David K. Brooks, Legal Examiner, on Thursday, August 9,
2018, 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: Mary C. Hankins, CCR, RPR
 New Mexico CCR #20
 Paul Baca Professional Court Reporters
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APPEARANCES

FOR APPLICANT CENTENNIAL RESOURCE PRODUCTION, LLC:

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1 (8:50 a.m.)

2 EXAMINER DAWSON: So at this time, we will
3 go down to Case Numbers 16265 and 16266. I'm supposing
4 these two will want to be consolidated, correct?

5 MS. KESSLER: That's correct.

6 EXAMINER DAWSON: Okay. Case Number 16265,
7 number 37 on the list, is an application of Centennial
8 Resource Production, LLC for a nonstandard spacing and
9 proration unit and compulsory pooling, Lea County, New
10 Mexico, and Case Number 16266 is also an application of
11 Centennial Resource Production, LLC for a nonstandard
12 spacing and proration unit and compulsory pooling, Lea
13 County, New Mexico.

14 Ms. Kessler, when you're ready.

15 MS. KESSLER: Mr. Examiner, Jordan Kessler
16 from Holland & Hart on behalf of the Applicant.

17 MR. BRUCE: Mr. Examiner, Jim Bruce of
18 Santa Fe representing ConocoPhillips Company.

19 EXAMINER DAWSON: Okay.

20 MS. KESSLER: No witnesses today,
21 Mr. Examiner.

22 This case was heard two weeks ago and
23 continued for two reasons. The first was because this
24 was filed before June 26th and, therefore, not subject
25 to the updated horizontal well rule, so we did have to

1 notify offsets, and we had requested an additional two
2 weeks for that notice to be perfected.

3 EXAMINER DAWSON: Okay.

4 MS. KESSLER: The second reason,
5 Mr. Examiners, was to allow additional time for
6 Centennial and the Baird Trust to negotiate an
7 agreement. I have an email here from Ms. Sharon
8 Shaheen, who represented Weldon Baird, and this states
9 that Weldon Baird did lease his interest to another
10 party who Centennial is now negotiating an operating
11 agreement with.

12 EXAMINER DAWSON: Okay.

13 MS. KESSLER: I'll just mark this as
14 Exhibit Z and give it to the court reporter,
15 Mr. Examiner.

16 Mr. Examiner, I would move admission of
17 Exhibit Z and ask that the case be taken under
18 advisement.

19 EXAMINER DAWSON: Exhibit B?

20 MS. KESSLER: Z, as in zebra.

21 EXAMINER DAWSON: Oh, Z, as in zebra.

22 At this time, Exhibit --

23 Are there any objections, Mr. Bruce?

24 MR. BRUCE: No.

25 EXAMINER DAWSON: Okay. At this time

1 Exhibit Z will be admitted to the record in Case Numbers
2 16265 and 16266.

3 MS. KESSLER: Yes. Thank you.

4 (Centennial Resource Production, LLC
5 Exhibit Letter Z is offered and admitted
6 into evidence.)

7 EXAMINER DAWSON: And those cases will be
8 taken under advisement.

9 Thank you very much.

10 (Case Numbers 16265 and 16266 conclude,
11 8:53 a.m.)
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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

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

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

20 DATED THIS 16th day of August 2018.
21

22
23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters