

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 NO: 20829

APPLICATION OF EOG RESOURCES INC.  
FOR COMPULSORY POOLING, NON-STANDARD  
SPACING AND PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 14, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, KATHLEEN MURPHY, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, November 14, 2019, 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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1 A P P E A R A N C E S

2 For the Applicant:

3 ERNEST L. PADILLA  
 4 P.O. Box 2523  
 5 Santa Fe, NM 87504  
 6 505-988-7577  
 7 padillalaw@qwestoffice.net

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7 I N D E X

8 CASE NO. 20829 CALLED

9 CHARLES MORAN (By Affidavit) 03

10 PATRICK GEESAMAN (By Affidavit) 04

11 TAKEN UNDER ADVISEMENT: 05

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

14 Admitted

15 Exhibits 1 - 3 and Attachments 05

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1                   HEARING EXAMINER LOWE: We will call case Number  
2   20829 EOG, compulsory pooling. Call for appearance.

3                   MR. PADILLA: Mr. Examiner, Ernest L. Padilla on  
4   behalf of EOG Resources.

5                   HEARING EXAMINER LOWE: No witnesses?

6                   MR. PADILLA: EOG Resources Inc.

7                   HEARING EXAMINER LOWE: Okay.

8                   MR. PADILLA: Mr. Examiner, initially the only  
9   party being pooled in this case is Oxy Y-1 Company who  
10   signed and executed a JOA. That's the only reason we are  
11   here. The overriding royalty interest owners are -- have  
12   waived notice of hearing, and I will point those out for  
13   you. But I have three exhibits.

14                  The first exhibit is the affidavit of the Charles  
15   Moran who has testified here numerous times as a petroleum  
16   landman. I'd like to attach to this the C-102s, the acreage  
17   dedication plats, together with the ownership, and that  
18   would be Exhibit 3 to his affidavit.

19                  And in addition to that, the application for EOG  
20   requests an overhead rate of 8,000 for a producing well, 800  
21   -- I'm sorry -- for a drilling well, and 800 for producing  
22   well, and of course the 200 percent penalty.

23                  You will notice the last few pages of this  
24   affidavit are the waivers from the two overriding royalty  
25   interest owners of notice of this hearing.

1           Unless you have any questions, I would point you  
2   to Exhibit A, which is a required filing here that has all  
3   the information that is necessary in terms of both wells as  
4   far as location, put its location and what the acreage is  
5   for the two wells.

6           The second exhibit is the affidavit of Patrick  
7   Geesaman, and that has the initial Exhibit 1, the  
8   description of the Second Bone Spring Sand, that is  
9   considered to be drilled, and it's just a short description  
10  of the geology there.

11           We have structure maps, a cross section,  
12  stratigraphic cross section showing the producing interval,  
13  and an isochore map. And unless you have any specific  
14  questions on that, I'm going to rely on the exhibit itself.

15           And finally the third affidavit is my affidavit  
16  showing the notice to Oxy Y-1 Company. And the green card  
17  that is attached there is going back to Exhibit 1, we do  
18  have the overriding royalty interest waivers for notice of  
19  this hearing.

20           With that, we ask that three exhibits be tendered  
21  as exhibits in this case and that the case be taken under  
22  advisement.

23           HEARING EXAMINER LOWE: You said three exhibits?

24           MR. PADILLA: Three exhibits, the affidavit of  
25  Mr. Moran, and the affidavit of Mr. Geesaman, the geologist,

1 and my exhibit of notice.

2 HEARING EXAMINER LOWE: Exhibits 1 to 3 will be  
3 taken into this case.

4 (Exhibits 1 through 3 admitted.)

5 HEARING EXAMINER LOWE: Any questions?

6 EXAMINER MURPHY: Thank you for including Exhibit  
7 A. And can you send that to me electronically?

8 MR. PADILLA: Certainly.

9 EXAMINER MURPHY: I will get it in the queue.

10 HEARING EXAMINER LOWE: Any questions?

11 EXAMINER GOETZE: No questions.

12 MR. AMES: No.

13 HEARING EXAMINER LOWE: Case Number 20829 will be  
14 taken under advisement.

15 MR. PADILLA: Thank you.

16 (Case 20829 taken under advisement.)

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1 STATE OF NEW MEXICO )  
 )SS  
2 COUNTY OF SANTA FE )

3 I, IRENE DELGADO, certify that I reported the  
4 proceedings in the above-transcribed pages, that pages  
5 numbered 1 through 5 are a true and correct transcript of my  
6 stenographic notes and were reduced to typewritten  
7 transcript through Computer-Aided Transcription, and that on  
8 the date I reported these proceedings I was a New Mexico  
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 14th day of  
11 November 2019.

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14 \_\_\_\_\_  
Irene Delgado, NMCCR 253  
Expires: 12-31-19

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