

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: 21097

APPLICATION OF SEP PERMIAN LLC TO AMEND  
ORDER R-20543 TO ADD ADDITIONAL WELLS TO  
THE APPROVED HORIZONTAL WELL SPACING UNIT,  
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MARCH 5, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH KATHLEEN MURPHY, PHILLIP GOETZE on Thursday, March 5, 2020 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  
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 KAITLYN LUCK  
4 HOLLAND & HART  
5 110 North Guadalupe, Suite 1  
6 Santa Fe, NM 87501  
7 505-954-7286  
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9 I N D E X

10	CASE CALLED	03
11	SUMMARY OF CASE AND EXHIBITS	03
12	TAKEN UNDER ADVISEMENT	
13	REPORTER CERTIFICATE	

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

16 Admitted

17 All Exhibits and Attachments

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1                   HEARING EXAMINER ORTH: Move to 21097 and 98. Is  
2   that what I just -- no, that was. The applicant is SEP  
3   Permian, and that's another requested amendment to an order.  
4   97 relates to well Shelby 23 and 98 relates to the Nirvana  
5   Wells.

6                   MS. LUCK: Good morning, Examiners. Kaitlyn Luck  
7   with the Santa Fe office of Holland & Hart on behalf of the  
8   applicant in this case, SEP Resources, and I can present  
9   both of these cases together with 21097 and 21098, but they  
10  are separate cases.

11                   And in each case, though, the applicant has  
12  determined that additional wells should be added to the  
13  spacing unit, and so that's why we are returning to hearing.  
14  So you will find that the landman exhibit behind Exhibit C,  
15  and D, explains that SEP Permian had not begun drilling the  
16  wells that were approved under the spacing unit that was  
17  issued under order R-20543.

18                   And they reviewed their development plans and  
19  decided to add two additional wells to the spacing unit, so  
20  the landman explains those two additional wells be included  
21  in the spacing unit and all other terms of that order will  
22  remain the same as far as the spacing unit description and  
23  the parties that were pooled. The only thing that changes  
24  is that two additional wells are being added.

25                   So before you in your exhibit packet, Permian

1     also provided the notice information behind Tab D-1 and D-2  
2     which reflects that notice of this hearing was timely  
3     provided, and we also published notice of the hearing in  
4     advance.

5                 HEARING EXAMINER ORTH:   Okay.   And it appears the  
6     order for the exhibit you seek amendment to, the hearing was  
7     held on February 7, 2019.   The order was entered May 17.

8                 MS. LUCK:   That's correct.   Again, Order R-20543.

9                 HEARING EXAMINER ORTH:   Questions?

10                EXAMINER MURPHY:   So the Exhibit A -- and I will  
11     just point this out, I'm not asking for another one, but  
12     that is the case in point of where the print screen --  
13     print area, notice how the font on the additional wells kind  
14     of -- yeah, so print area, you need to expand it.

15                MS. LUCK:   I will make it bigger, I will do that  
16     on my future template.   I can submit them with larger fonts  
17     to the Division.

18                EXAMINER MURPHY:   You can, but I'm just pointing  
19     out to you.   We were going to try to post another template  
20     for the Excel file and how to expand the print area.   But  
21     this is a nice example of a case in point.

22                MS. LUCK:   Yeah, I will -- I will submit them to  
23     the Division with a larger text by e-mail.

24                EXAMINER MURPHY:   Thank you for your explanation.  
25     I have no further questions.

1                   HEARING EXAMINER ORTH: Thank you, Ms. Luck the  
2 packet is accepted and will be taken under advisement, and  
3 that was 21097.

4                   (Exhibits admitted.)

5                   (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 proceedings in stenographic shorthand and that the  
9 foregoing pages are a true and correct transcript of those  
10 proceedings that were reduced to printed form by me to the  
11 best of my ability.

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

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

19 Dated this 5th of March 2020.

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

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