

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: 21256

APPLICATION OF XTO ENERGY INC.  
TO POOL AN ADDITIONAL INTEREST OWNER  
UNDER THE TERMS OF ORDER NO R-21088,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

MAY 14, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, BAYLEN LAMKIN, DYLAN COSS and SCOTT COX on Thursday, May 14, 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 ADAM RANKIN  
4 HOLLAND & HART  
5 110 North Guadalupe, Suite 1  
6 Santa Fe, NM 87501  
7 505-954-7286

6 I N D E X

8 CASE CALLED

9	SUMMARY OF CASE AND EXHIBITS	03
10	TAKEN UNDER ADVISEMENT	06
11	REPORTER CERTIFICATE	07

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

13		Admitted
14	All Exhibits and Attachments	06

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1                   HEARING EXAMINER ORTH: We will start with  
2   21256 -- oh, please mute yourself, if you would, until I --  
3   until I call on you or until you are about to speak. It  
4   cuts down on the ambient noise. Thank you.

5                   So we will start with case Number 21256,  
6   applicant XTO Energy. This is an amendment -- application  
7   for amendment for well named Corral Canyon. Is someone from  
8   Holland & Hart?

9                   MR. RANKIN: Good morning. Adam Rankin on behalf  
10   of the applicant in this case, Holland & Hart.

11                  THE COURT: Thank you, Mr. Rankin. Let me ask  
12   that we pause for a moment to see if there is anyone else  
13   who would like to enter an appearance.

14                  (No audible response.)

15                  HEARING EXAMINER ORTH: No? Thanks. Please go  
16   ahead.

17                  MR. RANKIN: Good morning, Madam Examiner. As  
18   you noted the motion to amend the pooling order, the purpose  
19   of the application is to include an additional party.

20                  Subsequent to the order in this case, Order  
21   Number R-21088, the applicant, XTO Energy, identified an  
22   additional party that we required pooling. The applicant,  
23   XTO, attempted to read (inaudible) the parties was unable to  
24   do so.

25                  Included with the -- this is an application to

1 amend our two (inaudible) that requires pooling. The  
2 exhibit packet of this case in front of you, hopefully, the  
3 exhibit packet contains first the table of contents with  
4 each of the elements of the (inaudible).

5 Number 2 in the (inaudible) I guess the  
6 Mr. Kenneth Hilger (inaudible) Exhibit A. Mr. Hilger is a  
7 landman who has testified before the Division.

8 In this case there is Order Number R-21088 from  
9 February, pooling (inaudible) acres creating a horizontal  
10 standard space in the S/2 of Section 32, Township 24 South,  
11 Range 29 East of Section 5, and the N/2 of Section 8,  
12 Township 25 South, Range 29 East, Eddy County.

13 Subsequent to the issuance, XTO identified a  
14 party that required pooling. Exhibit A is a copy of the  
15 affidavit of Mr. Kenneth Hilger, the landman for XTO. In  
16 his affidavit Mr. Hilger reviews his efforts to reach  
17 voluntarily agreement with the additional (inaudible) in  
18 this case. The party is PXP Company LLC, and they own 50  
19 percent working interest, a tract located within the spacing  
20 unit.

21 On a unit-wide basis it's approximately 1.5625  
22 percent. Your attention to (inaudible) that company was  
23 unwilling to (inaudible) the well. We are unable to respond  
24 to the agreement.

25 Exhibit A-2 to Mr. Hilger's affidavit is a copy

1 of the summary of communications and responses to reach  
2 voluntary commitment.

3 Exhibit A-3 is a copy of the notice letter and  
4 application Mr. Hilger sent to PXP Company. PXP Producing  
5 Company, because they received a copy by e-mail  
6 correspondence has agreed to waive formal notice.

7 And therefore attached as Exhibit A-4 is the  
8 e-mail that (inaudible) in which we've agreed notice by a  
9 served notice.

10 Exhibit A-5 is a copy of the affidavit of  
11 publication reflecting that XTO is notice of the hearing be  
12 published in ten days prior to the hearing.

13 With that, Madam Examiner, I ask that this case  
14 be taken under advisement.

15 HEARING EXAMINER ORTH: Thank you, Mr. Rankin.  
16 Mr. Lamkin, do you have any questions of Mr. Rankin?

17 EXAMINER LAMKIN: I do not.

18 HEARING EXAMINER ORTH: All right. Mr. Coss?

19 (No response.)

20 HEARING EXAMINER ORTH: Is there any other  
21 technical examiner on the call who has questions of  
22 Mr. Rankin?

23 TECHNICAL EXAMINER: No, ma'am, we have no other  
24 questions.

25 HEARING EXAMINER ORTH: Thank you very much.

1 Thank you, Mr. Rankin. Exhibits are accepted and the matter  
2 will be taken under advisement.

3 (Taken under advisement.)

4 (Exhibits admitted.)

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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 14th day of May 2020.

20

/s/ Irene Delgado

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

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