

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: 21257, 21258

APPLICATION OF SPC RESOURCES LLC
TO POOL ADDITIONAL INTEREST OWNERS
UNDER THE TERMS OF ORDER R-21104,
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

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 McDonald's and Mewbourne:

JAMES BRUCE
P.O. Box 1056
Santa Fe, NM 87504-1056
505-982-2151
jamesbruce@aol.com

I N D E X

CASE CALLED	
SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	06
REPORTER CERTIFICATE	07

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

	Admitted
All Exhibits and Attachments	06

1 HEARING EXAMINER ORTH: Let's move to matters
2 21257 and 21258, applicant SPC Resources. These
3 applications seek amendments to orders. The wells are
4 Barney 5-6. Is there someone from Holland & Hart on behalf
5 of the applicant? Is that you, Ms. Luck?

6 MS. LUCK: That's correct. Good morning, Madam
7 Examiner. Kaitlyn Luck with the Santa Fe office of Holland
8 & Hart on behalf of the applicant, SPC Resources LLC.

9 HEARING EXAMINER ORTH: Thank you. And do we
10 have Mr. Bruce here on behalf of McDonald's and Mewbourne?

11 MR. BRUCE: Yes, I'm here. And I do not object
12 to the case being presented by affidavit.

13 HEARING EXAMINER ORTH: Okay. Thank you very
14 much. Let me pause to ask if there is anyone else who would
15 like to enter an appearance this morning in these matters.

16 (No audible response.)

17 HEARING EXAMINER ORTH: All right. Please go
18 ahead.

19 Wait. We need to mute someone. Please mute
20 yourselves if you are not speaking.

21 All right. Please go ahead, Ms. Luck?

22 MS. LUCK: Thank you. In these two cases SPC
23 Resources has requested to consolidate Case Numbers 21257
24 and 21258 for purposes of hearing. SPC Resources submitted
25 the exhibits to the Division on Tuesday in advance of the

1 hearing.

2 So in the exhibit packet, first SPC would like to
3 provide copies of the application, and then after that as
4 Exhibit B is the affidavit of Colleen Bradley, who is the
5 landman in this case, and her affidavit explains that both
6 of these cases were originally presented to the Division
7 with November 19, 2020, and orders were entered in both
8 cases.

9 So Order Number 21104 was entered on February 13,
10 and (inaudible) Case 20860 which is now 21257, and it
11 created a 473.59 acre horizontal spacing unit in the SW/4 of
12 Section 5, in Lot 6 and 7, the E/2 of the SW/4 and the SE/4
13 of Section 6, Township 22 South, Range 27 East, Eddy County,
14 New Mexico.

15 And the third order for all of interest in the
16 Bone Spring formation and that (inaudible) unit two wells,
17 the Barney 5-6 B3 3H well and B3 4H well. Following entry
18 of this order, SPC determined there are additional interests
19 to be pooled, and so SPC Resources brings this case, as well
20 as 21258 to pool the additional interest owners within the
21 unit within the same pooling orders.

22 Moving on to 21258, the Division Order 21123 was
23 entered in that case on February 17, 2020, and it pooled the
24 same acreage, but in the Wolfcamp formation. So this
25 involves Sections 5 and 6 of Township 28 South, Range 27

1 East in Eddy County, and the unit was dedicated to the
2 Barney 5-6 WCXY 4H well and the Barney 5-6 WCD 4H well.

3 This same circumstances apply in case 21258 that
4 after the entry of Order 21123, SPC determined additional
5 interests are required for pooling, and so (inaudible) under
6 the terms of these orders. Everything else about the
7 existing orders will remain the same, and SPC Resources
8 properly provided notice of this hearing to the mineral
9 interests to be pooled.

10 And as Exhibit C-6 and C-7 are the tracking
11 information with notice of hearing letters, as well as an
12 example copy of the notice of hearing.

13 And then SPC Exhibit D-8 is an affidavit of
14 publication reflecting that notice of this hearing was also
15 timely provided by publication in Lea County where the wells
16 are located.

17 And with that I would I move the admission of
18 Exhibits A, B, C and their corresponding attachments.

19 HEARING EXAMINER ORTH: All right. Thank you.
20 Mr. Bruce, do you have questions of Ms. Luck?

21 MR. BRUCE: No, I do not. Thank you.

22 HEARING EXAMINER ORTH: You do not, All right.
23 Mr. Lamkin, do you have questions of Ms. Luck?

24 EXAMINER LAMKIN: No, ma'am, I do not.

25 HEARING EXAMINER ORTH: All right. Or Mr. Cox,

1 questions?

2 EXAMINER COX: No, ma'am. Thank you.

3 HEARING EXAMINER ORTH: All right. Thank you,
4 Ms. Luck. The exhibits are accepted and the matters will be
5 taken under advisement.

6 MS. LUCK: Thank you.

7 (Exhibits admitted.)

8 (Taken under advisement.)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

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

21

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

22

23

24

25