

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: 21541

APPLICATION OF CENTENNIAL RESOURCE  
PRODUCTION LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 3, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on  
Thursday, December 3, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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

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

Exhibits and Attachments 05

1 HEARING EXAMINER ORTH: Move to Case 21541,  
2 applicant is the Centennial Resources, compulsory pooling  
3 application. The well name is Mozzarella. Who is here from  
4 Holland & Hart for the applicant?

5 MS. LUCK: Kaitlyn Luck with the Santa Fe office  
6 of Holland & Hart on behalf of the applicant in this case,  
7 Centennial Resource Production LLC.

8 HEARING EXAMINER ORTH: Thank you. I do not see  
9 another entry of this appearance in the case file. Let me  
10 pause for a moment to see if there is anyone else entering  
11 an appearance this morning.

12 (No audible response.)

13 HEARING EXAMINER ORTH: I hear nothing. If you  
14 would please proceed.

15 MS. LUCK: Thank you. It was Centennial's  
16 understanding that there would not be any opposition to this  
17 pooling case, so Centennial filed its exhibits with the  
18 Division on Tuesday.

19 In that exhibit packet Centennial included each  
20 of the required exhibits starting with Centennial's  
21 application checklist as Exhibit A.

22 After the checklist is Centennial Exhibit B,  
23 which is a copy of the application in this case.

24 And then Centennial's Exhibit C is the affidavit  
25 of Centennial's landman in this case, Gavin Smith. He

1     testifies that his credentials have been accepted by the  
2     Division and made a matter of record and that he is familiar  
3     with the proposed spacing unit in this case.

4             His affidavit explains that Centennial is seeking  
5     approval of a standard 639.34 acre spacing unit in the Bone  
6     Spring Formation underlying the E/2 W/2 and the W/2 E/2 of  
7     Section 5, Township 22 South, Range 32 East, and the E/2 W/2  
8     and the W/2 E/2 of Section 32 in Township 21 South, Range 32  
9     East in Lea County, New Mexico.

10            This spacing unit is to be dedicated to the  
11     Mozzarella 602H well, the Mozzarella 603H well and the Gouda  
12     604H well.

13            As explained in his affidavit, the Mozzarella  
14     603H well is to be the proximity tract well which will pool  
15     in the proximity tracts to create this enlarged 639.34 acre  
16     spacing unit.

17            And his affidavit also notes the Gouda 604H well  
18     is on a non-standard location, and Centennial has sought but  
19     has not yet received the Division approval of that  
20     non-standard location.

21            With his affidavit he provides the C-102s for  
22     each of the wells, as well as a tract and unit recap  
23     providing the interest owners that Centennial seeks to pool,  
24     their percentage and the spacing unit, as well as the  
25     overriding royalty interest owners.

1           Centennial also provides a copy of the well  
2 proposal letters and a chronology of the contacts of each of  
3 the uncommitted interest owners in the spacing unit.

4           Centennial Exhibit C, that is the affidavit of  
5 Isabel Harper who is the geologist for Centennial in this  
6 case. She testifies that the Bone Spring spacing unit that  
7 has been proposed by Centennial is appropriate for  
8 development by these horizontal wells.

9           And then finally as Centennial Exhibits E and F,  
10 I provided an affidavit from me showing that our office  
11 provided notice of this hearing to each of the interest  
12 owners to be pooled. And then also out of an abundance of  
13 caution, we published notice in the newspaper in Lea County  
14 where these wells are located.

15           And so with that, we have satisfied each of the  
16 Division's requirements, and I would move the admission of  
17 Centennial's Exhibits A through F and request that this case  
18 be taken under advisement.

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

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

22           HEARING EXAMINER ORTH: All right, thank you.  
23 Your exhibits are admitted and the matters will be taken  
24 under advisement.

25           (Exhibits admitted.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

(Taken under advisement.)

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5 I, IRENE DELGADO, New Mexico Certified Court  
6 Reporter, CCR 253, do hereby certify that I reported the  
7 foregoing virtual proceedings in stenographic shorthand and  
8 that the foregoing pages are a true and correct transcript  
9 of those proceedings to the best of my ability.

10 I FURTHER CERTIFY that I am neither employed by  
11 nor related to any of the parties or attorneys in this case  
12 and that I have no interest in the final disposition of this  
13 case.

14 I FURTHER CERTIFY that the Virtual Proceeding was  
15 of poor to good quality.

16 Dated this 3rd day of December 2020.

17

/s/ Irene Delgado

18

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

19

20

21

22

23

24

25