

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: 21824

APPLICATION OF CENTENNIAL RESOURCES
PRODUCTION LLC TO POOL ADDITIONAL INTEREST
OWNERS UNDER ORDER R-21563,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
APRIL 8, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DEAN McCLURE on
Thursday, April 8, 2021, 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 05

REPORTER CERTIFICATE 06

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

Admitted

Exhibits and Attachments 05

1 HEARING EXAMINER BRANCARD: Now Item Number 43,
2 Case 21824, Centennial Resources, Holland & Hart.

3 MS. LUCK: Good morning. Kaitlyn Luck with the
4 Santa Fe office of Holland & Hart on behalf of the applicant
5 in this case.

6 HEARING EXAMINER BRANCARD: Thank you. Are there
7 any other parties for this matter?

8 (No audible response.)

9 HEARING EXAMINER BRANCARD: Hearing none, Ms.
10 Luck, you may proceed.

11 MS. LUCK: Thank you. In this case Centennial
12 filed its application to pool additional interest owners
13 under the order issued by the Division, Order Number
14 R-21563.

15 Centennial understood there would be no
16 opposition to the case proceeding by affidavit, so on
17 Tuesday Centennial filed with the Division its exhibit
18 packet, which starts off with Exhibit A, a copy of the
19 application, followed by Exhibit B, which is the second
20 affidavit of Gavin Smith, who is the landman in this case.

21 Gavin testifies that he is familiar with the
22 application in this case to pool the additional interest
23 owners under the terms of Order R-21563. That order created
24 a standard 240 acre spacing unit in the Wolfcamp formation,
25 underlying the W/2 W/2 of Section 22, and the W/2 of the

1 NW/4 of Section 27 in Township 24 South, Range 34 East in
2 Lea County, New Mexico.

3 This unit is dedicated to the Romeo Fed Com 701H
4 well. Centennial, Exhibit B-2 identifies the interest
5 owners and their ownership interest in the spacing unit.
6 And Centennial has highlighted on the exhibit the interest
7 owner to be pooled. This is (unclear) in which Centennial
8 discovered after the case went to hearing that there was an
9 additional interest owner whose interest was unleased. And
10 so Centennial sent a well proposal letter and has attempted
11 to reach an agreement voluntarily, but has been unable to do
12 so. A copy of that well proposal letter, as well as the
13 chronology of Centennial's contacts are attached to Mr.
14 Smith's affidavit.

15 Moving on with the exhibit package, Centennial
16 includes as Exhibit C copies of the -- a copy of the notice
17 letter providing notice of this hearing to the interest
18 owners to be pooled under R-21563, and Centennial also
19 published notice of this hearing in Lea County and provided
20 a copy of the notice of publication as Centennial Exhibit D.

21 So with that, if there aren't any questions, I
22 would move the admission of Exhibit A through D and request
23 these be taken under advisement.

24 HEARING EXAMINER BRANCARD: Thank you. Mr.
25 McClure?

1 TECHNICAL EXAMINER McCLURE: I have no questions
2 regarding this case, Mr. Brancard.

3 HEARING EXAMINER BRANCARD: Okay. Once again,
4 any other interested parties in case 21824?

5 (No audible response.)

6 HEARING EXAMINER BRANCARD: Hearing none, the
7 exhibits will be admitted and Case 21824 will be taken under
8 advisement.

9 MS. LUCK: Thank you.

10 (Exhibits admitted.)

11 (Taken under advisement.)

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 virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

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

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

17 Dated this 8th day of April 2021.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253
License Expires: 12-31-21

20

21

22

23

24

25