

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: 21855

APPLICATION OF SPC RESOURCES LLC,
TO AMEND ORDER NO R-21096,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MAY 6, 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 LEONARD LOWE on
Thursday, MAY 6, 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

TAKEN UNDER ADVISEMENT 06

REPORTER CERTIFICATE 07

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

Admitted

Exhibits and Attachments 07

1 HEARING EXAMINER BRANCARD: Now calling Number 7
2 on our agenda, Case 21855 SPC Resources, Holland & Hart.

3 MS. LUCK: Good morning, Mr. Examiner. Kaitlyn
4 Luck with the Santa Fe office of Holland & Hart on the
5 behalf of the applicant in these cases -- or this case --
6 excuse me -- SPC Resources.

7 HEARING EXAMINER BRANCARD: Thank you. Are there
8 any other appearances in Case 21855?

9 (No audible response.)

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

12 MS. LUCK: Thank you. In this case SPC
13 understood there would be no objection to this case
14 proceeding by affidavit, and so SPC filed its exhibits into
15 the record on Tuesday.

16 In that exhibit packet SPC submitted a copy of
17 the application filed by -- excuse me -- in addition they
18 also filed a copy of the affidavit of Colleen Bradley who is
19 the landman for SPC. Her affidavit explains that SPC filed
20 this case because SPC is seeking to amend the order to pool
21 additional interest owners under the terms of Order Number
22 R-21096 and R-21096-A.

23 This case was originally taken to hearing in
24 February of 2020, and that resulted in the entry of Division
25 Order R-21096 which created a standard spacing unit in the

1 Wolfcamp formation underlying the W/2 and E/2 of Section 12
2 in Township 22 South, Range 26 East, and the W/2 of the E/2
3 of irregular Section 7 in Township 22 South, Range 27 East
4 in Eddy County, New Mexico.

5 That order also dedicated the unit to the Caveman
6 402H and the 442H wells. As Exhibit B-1, SPC submits a copy
7 of both of those orders. I also wanted to mention that this
8 case is also -- excuse me -- this order was also reopened in
9 January of 2021 which resulted in the issuance of Order
10 21096-A. And that updated the order to conform with the
11 Division's new standard form order.

12 And Ms. Bradley's affidavit goes on to explain
13 that since that time that the new order was entered, SPC
14 discovered additional interest owners that required pooling
15 under this case. So just like Ms. Hardy's application that
16 was first on this docket, SPC has attempted to reach
17 voluntary agreement with these parties but has not been able
18 to do so, so pooling is required of these additional
19 parties.

20 SPC provides a unit recap and a map showing the
21 interest where -- or excuse me -- showing where these
22 interests are located within the unit as well as copies of
23 the C-102s for each each of the wells and names and
24 addresses of the interest owners to be pooled who were
25 provided notice of this hearing.

1 So in addition to Ms. Bradley's affidavit, we
2 also provide the notice information which is a copy of the
3 hearing letter as well as the notice of publication which
4 reflects notice of this hearing was timely provided.

5 With that, I would move admission of SPC exhibits
6 and request that this case be taken under advisement.

7 HEARING EXAMINER BRANCARD: Thank you. Mr. Lowe,
8 any questions?

9 TECHNICAL EXAMINER LOWE: No, I do not. Thank
10 you.

11 HEARING EXAMINER BRANCARD: Thank you. Are there
12 any other comments on Case 21855?

13 (No audible response.)

14 MS. LUCK: I'm sorry, I wanted to mention, the
15 original hearing date for this case was actually September
16 19 of 2019, not the February 2020 date that I mentioned, so
17 I'm sorry for that.

18 HEARING EXAMINER BRANCARD: Okay. And you are
19 just asking for additional interest owners, you are not
20 asking for an extension of time?

21 MS. LUCK: Not at this time, no, we were granted
22 an extension during the January hearing when it was
23 re-opened to amend the form of order, so at this point we
24 just need to pool additional interests to ensure sure all
25 the interests are properly pooled in the unit.

1 HEARING EXAMINER BRANCARD: Thank you. At this
2 point I will admit the exhibits in this case, and Case 21855
3 is taken under advisement. Thank you.

4 (Exhibits admitted.)

5 (Taken under advisement.)

6

7

8

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 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 6th day of May 2021.

17

/s/ Irene Delgado

18

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

19

20

21

22

23

24

25