

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: 21332

APPLICATION OF RILEY PERMIAN OPERATING
CO LLC FOR COMPULSORY POOLING,
LEA AND ROOSEVELT COUNTIES, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
JULY 9, 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 DYLAN COSS and LEONARD
LOWE on Thursday, July 9, 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

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A P P E A R A N C E S

For the Applicant:

DANA HARDY
HINKLE SHANOR LLP
P.O. Box 0268
Santa Fe, NM 87504
505-982-4554

I N D E X

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| 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

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|--------------------------|----------|
| | Admitted |
| Exhibits and Attachments | 05 |

1 HEARING EXAMINER ORTH: We will move then to Case
2 21332, applicant Riley Permian Operating, it's a compulsory
3 pooling matter. The well name is Torino.

4 Is that you, Ms. Hardy?

5 MS. HARDY: (Inaudible.) Can you hear me?

6 HEARING EXAMINER ORTH: Yes, now I can hear you.

7 MS. HARDY: Thank you. Dana Hardy on behalf of
8 Riley Permian Operating Company LLC.

9 HEARING EXAMINER ORTH: Let me pause a moment to
10 see if there are any other appearances.

11 (No audible response.)

12 HEARING EXAMINER ORTH: No? Please go ahead.

13 MS. HARDY: Thank you. Riley seeks an order
14 pooling all uncommitted mineral interests in a 240 acre more
15 or less standard horizontal spacing unit comprised of the
16 W/2 of the W/2 of Section 4, Township 9 South, Range 34 East
17 in Lea County, and the W/2 of the SW/4 of Section 33,
18 Township 8 South, Range 34 East in Roosevelt County.

19 Included in your exhibit packet are the
20 self-affirmed statements of landman Ty Edelen, and geologist
21 Daniel Osborn. Neither witness has testified previously
22 before the division and statements of their qualifications
23 are provided as Exhibit A-2 and B-1.

24 Riley has complied with the division's notice
25 requirements and provided notice by publication and also by

1 certified mail. The hearing notice and certified mail
2 receipts are attached to Mr. Edelen's affidavit as Exhibit
3 A-9, and the affidavits of publication are attached as
4 Exhibit A-10, and we did publish notice in both Lea and
5 Roosevelt counties.

6 So with that, unless there are questions, I would
7 ask that the statements be accepted as expert testimony,
8 that the exhibits be admitted into the record, and that the
9 case be taken under advisement.

10 HEARING EXAMINER ORTH: Thank you, Ms. Hardy.
11 Let me ask Mr. Rose Coss, do you have questions of Ms.
12 Hardy?

13 TECHNICAL EXAMINER COSS: (Garbled audio.) Thank
14 you for submitting the exhibits timely with the compulsory
15 pooling application checklist complete. I would only ask
16 that by -- did the packet include any documentation that
17 written evidence was given to all the parties to seek a
18 voluntary agreement concerning good-faith efforts to make it
19 a voluntary agreement in the compulsory pooling?

20 MS. HARDY: Yes. I think Mr. Edelen's affidavit
21 states the parties were contacted and that Riley made a good
22 faith effort to work with them before pooling.

23 TECHNICAL EXAMINER COSS: Perfect. Well, that
24 (garbled audio). I appreciate. Those are all my questions.
25 Thank you.

1 HEARING EXAMINER ORTH: Thank you. Mr. Lowe, do
2 you have any questions of Ms. Hardy?

3 TECHNICAL EXAMINER LOWE: I just have a quick
4 question, can you state again what pool that this is
5 pertaining to?

6 MS. HARDY: The pool is --

7 TECHNICAL EXAMINER LOWE: I can't -- I haven't
8 had a chance to read your exhibits yet.

9 MS. HARDY: Sure. It's DLR San Andres Code
10 12450.

11 TECHNICAL EXAMINER LOWE: 12450, okay, that's all
12 I have for now. Thank you.

13 MS. HARDY: Thank you.

14 HEARING EXAMINER ORTH: Thank you. Thank you,
15 Ms. Hardy. Your witnesses' testimony is accepted, the
16 exhibits are accepted and matter will be taken under
17 advisement.

18 MS. HARDY: Thank you.

19 (Exhibits admitted.)

20 (Taken under advisement.)

21 (Concluded.)

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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 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 quality.

17 Dated this 9th day of July 2020.

18

/s/ Irene Delgado

19

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

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